

**Date and Time:** Monday 9 September 2024 17:27:00 CEST

**Job Number:** 233033292

**Documents (100)**

1. [*SFGCU Advances UAH 606 Million To Farmers In January-June Under Forward Contract Program*](https://advance.lexis.com/api/document?id=urn:contentItem:5SXW-40D1-JB5M-W1SP-00000-00&idtype=PID&context=1516831)

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2. [*International Monetary Fund ( IMF ) Staff Reviews Progress of Madagascar 's Economic Program*](https://advance.lexis.com/api/document?id=urn:contentItem:5S04-6TJ1-F0K1-N4G6-00000-00&idtype=PID&context=1516831)

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3. [*Data issues will not delay KT payments, claims Department*](https://advance.lexis.com/api/document?id=urn:contentItem:5TJG-RSR1-DYTY-C3TR-00000-00&idtype=PID&context=1516831)

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4. [*Senate farm bill is lesser of two evils*](https://advance.lexis.com/api/document?id=urn:contentItem:5SWR-YYW1-F0YC-N2HB-00000-00&idtype=PID&context=1516831)

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5. [*Washington: Catonsville Man Convicted For Food Stamp Fraud*](https://advance.lexis.com/api/document?id=urn:contentItem:5RPP-PDJ1-JDG9-Y452-00000-00&idtype=PID&context=1516831)

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6. [*African post offices: At forefront of remittance, financial services in rural areas*](https://advance.lexis.com/api/document?id=urn:contentItem:5SKP-P7G1-F0YC-N313-00000-00&idtype=PID&context=1516831)

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7. [*FEDERAL REGISTER: Notice of Solicitation of Applications for Loan Guarantees Under the Section 538 Guaranteed Rural Rental Housing Program for Fiscal Year 2018 Pages 60579 - 60584 [FR DOC # 2017-27527]*](https://advance.lexis.com/api/document?id=urn:contentItem:5R7G-CX11-JDG9-Y1XV-00000-00&idtype=PID&context=1516831)

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8. [*Council of the European Union: Structural Reform Support Programme - COMMISSION IMPLEMENTING DECISION of 9.8.2018 on the adoption of the 2018 work programme for operational technical assistance managed by the Commission on the request of Bulgaria pursuant to Article 11 of Regulation (EU) 2017/825 of the European Parliament and the Council, serving as financing decision PDF document ST 13553 2018 ADD 126-10-2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5RTH-M8J1-JDG9-Y108-00000-00&idtype=PID&context=1516831)

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9. [*OPINION: Innovations in social protection*](https://advance.lexis.com/api/document?id=urn:contentItem:5TK0-FXR1-JDSH-2010-00000-00&idtype=PID&context=1516831)

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10. [*CONFERENCE REPORT ON H.R 6157, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2019 (House of Representatives - September 13, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5S9B-DR61-F0YC-N3R0-00000-00&idtype=PID&context=1516831)

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11. [*Washington: CHILD PROTECTION IMPROVEMENTS ACT OF 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJ6-PV21-JDG9-Y1KR-00000-00&idtype=PID&context=1516831)

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12. [*Register of Commission documents:Written answer : Olive oil production Document date: 2017-12-20 P8\_RE(2017)006459 Answers to written questions*](https://advance.lexis.com/api/document?id=urn:contentItem:5R95-V3G1-JDG9-Y3CJ-00000-00&idtype=PID&context=1516831)

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13. [*Council of the European Union: Proposal for transfer of appropriations No DEC 34/2017 within Section III - Commission - of the general budget for 2017 ST 5043 2018 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5RC9-CTX1-F0YC-N2T6-00000-00&idtype=PID&context=1516831)

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14. [*- IMF Staff Reviews Progress of Madagascar 's Economic Program*](https://advance.lexis.com/api/document?id=urn:contentItem:5TC1-6SJ1-JD3Y-Y207-00000-00&idtype=PID&context=1516831)

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15. [*SFGCU Advances UAH 450 Million To Farmers Since Start Of Forward Crop Procurement Program*](https://advance.lexis.com/api/document?id=urn:contentItem:5SBV-5521-DXMP-K3K4-00000-00&idtype=PID&context=1516831)

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16. [*USDA details aid package for feed, ag industry producers*](https://advance.lexis.com/api/document?id=urn:contentItem:5T4Y-MPN1-JC6M-X3H4-00000-00&idtype=PID&context=1516831)

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17. [*PRACTICAL REFORMS AND OTHER GOALS TO REINFORCE THE EFFECTIVENESS OF SELF-GOVERNANCE AND SELF-DETERMINATION FOR INDIAN TRIBES ACT OF 2018 (Senate - September 28, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5TDF-MWN1-JDG9-Y06J-00000-00&idtype=PID&context=1516831)

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18. [*CONFERENCE REPORT ON H.R 5895, ENERGY AND WATER, LEGISLATIVE BRANCH, AND MILITARY CONSTRUCTION AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2019 (House of Representatives - September 10, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5S8P-GPK1-JDG9-Y4RK-00000-00&idtype=PID&context=1516831)

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19. [*Brexit: Farmers paid to protect landscape as subsidies change*](https://advance.lexis.com/api/document?id=urn:contentItem:5T0J-35Y1-F03R-N03W-00000-00&idtype=PID&context=1516831)

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20. [*From idea to money from European funds - EUTA aiding project preparation and finding partners*](https://advance.lexis.com/api/document?id=urn:contentItem:5SXS-N9H1-F12K-R4HX-00000-00&idtype=PID&context=1516831)

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21. [*Over 110 million transactions were made using Mir cards in November 2017, while the number of issued Mir cards came at 28 million, said the payment system's representative. So, the average Mir card holder made four transactions using the card*](https://advance.lexis.com/api/document?id=urn:contentItem:5R62-8HR1-DYTJ-4471-00000-00&idtype=PID&context=1516831)

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22. [*Washington: Southern Meat Market Proprietor Indicted on Federal Food Stamp Fraud, Theft and Conspiracy Charges*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJ1-4S21-JDG9-Y386-00000-00&idtype=PID&context=1516831)

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23. [*FF commits to a (EURO)160m suckler subsidy scheme Cash would come from RDP underspend or extra CAP funding, says McConalogue*](https://advance.lexis.com/api/document?id=urn:contentItem:5RRR-W6H1-JBVM-Y33R-00000-00&idtype=PID&context=1516831)

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24. [*FARMING PHIL TO PLOUGH AHEAD @LCreighton Lucinda Creighton*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5H-X8N1-DY9P-N17R-00000-00&idtype=PID&context=1516831)

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25. [*Washington: TEXT OF AMENDMENTS (Senate - June 21, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5SMX-0DH1-JDG9-Y533-00000-00&idtype=PID&context=1516831)

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26. [*Inter-farm trading between tillage growers and livestock farms to be encouraged*](https://advance.lexis.com/api/document?id=urn:contentItem:5S46-8GC1-JBVM-Y3RP-00000-00&idtype=PID&context=1516831)

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27. [*-IMF Executive Board Completes Third Review Under the ECF Arrangement for the Islamic Republic of Afghanistan and Approves US$ 6.4 Million Disbursement*](https://advance.lexis.com/api/document?id=urn:contentItem:5SF0-S651-JD3Y-Y1DD-00000-00&idtype=PID&context=1516831)

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28. [*Money for agriculture must go to those who cultivate the land, MEPs insist*](https://advance.lexis.com/api/document?id=urn:contentItem:5TNJ-6GD1-DYXB-V35G-00000-00&idtype=PID&context=1516831)

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29. [*Register of Commission documents: NOTICE TO MEMBERS Petition No 0692/2017 by Dimitris Karabasis ( Greek ), on behalf of the Organic Growers’ Union of Laconia, on the problems that have arisen during implementation of the 2007-2013 and 2014-2020 Greek Rural Development Programmes Document date: 2018-08-22 PETI\_CM(2018)617978 Notices to members*](https://advance.lexis.com/api/document?id=urn:contentItem:5T6Y-SN01-JDG9-Y026-00000-00&idtype=PID&context=1516831)

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30. [*USDA Reminds Producers of Disaster Program Deadlines*](https://advance.lexis.com/api/document?id=urn:contentItem:5TPB-WCR1-JDG9-Y1FN-00000-00&idtype=PID&context=1516831)

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31. [*Programme summary of Iranian TV news 1630 gmt 6 July 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5SRB-0H01-JC8S-C4RC-00000-00&idtype=PID&context=1516831)

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32. [*United Kingdom Intellectual Property Office Publishes Application for Trademark "BRANSON" to Virgin Enterprises*](https://advance.lexis.com/api/document?id=urn:contentItem:5SNT-3KT1-JDKC-R3HD-00000-00&idtype=PID&context=1516831)

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33. [*Farm Bill Fails on House Floor*](https://advance.lexis.com/api/document?id=urn:contentItem:5SCN-BTT1-JDG9-Y09Y-00000-00&idtype=PID&context=1516831)

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34. [*Baker-Grant County FSA Updates USDA Offers Drought Impacted Oregon Farmers and Ranchers Immediate Disaster Assistance*](https://advance.lexis.com/api/document?id=urn:contentItem:5SNJ-F391-F0YC-N34B-00000-00&idtype=PID&context=1516831)

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35. [*-IMF Executive Board Approves US$ 50 Billion Stand-By Arrangement for Argentina*](https://advance.lexis.com/api/document?id=urn:contentItem:5SM4-2V81-JD3Y-Y0DP-00000-00&idtype=PID&context=1516831)

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36. [*PUBLIC BILLS AND RESOLUTIONS (House of Representatives - October 02, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5SDH-BDX1-JDG9-Y4N0-00000-00&idtype=PID&context=1516831)

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37. [*FEDERAL REGISTER: Market Facilitation Program Pages 44173 - 44178 [FR DOC # 2018-18842]*](https://advance.lexis.com/api/document?id=urn:contentItem:5T58-DM41-JDG9-Y00Y-00000-00&idtype=PID&context=1516831)

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38. [*How helping poorer US consumers is set to hammer the soft drinks industry - Consumer Trends*](https://advance.lexis.com/api/document?id=urn:contentItem:5RPM-TV61-JDNW-43TY-00000-00&idtype=PID&context=1516831)

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39. [*USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters*](https://advance.lexis.com/api/document?id=urn:contentItem:5TH9-3YP1-JDG9-Y0PM-00000-00&idtype=PID&context=1516831)

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40. [*EU budget chief to issue revised budget plan for 2019*](https://advance.lexis.com/api/document?id=urn:contentItem:5TVP-DDH1-DXCW-C164-00000-00&idtype=PID&context=1516831)

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41. [*Good Morning! First view to the Poland newsday ON THE DOCKET*](https://advance.lexis.com/api/document?id=urn:contentItem:64R9-6WS1-JCG5-H3P5-00000-00&idtype=PID&context=1516831)

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42. [*Washington: PUBLIC BILLS AND RESOLUTIONS*](https://advance.lexis.com/api/document?id=urn:contentItem:5R72-3W41-JDG9-Y2K6-00000-00&idtype=PID&context=1516831)

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43. [*Register of Commission documents: Annex to Commission Implementing Decision adopting a Cross-border cooperation Action Programme Serbia – Bosnia and Herzegovina for the years 2018, 2019 and 2020, EUR 5 800 000 Document date: 2018-10-03 COM-AC\_DR(2018)D058659-01 Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5TKW-0M21-JDG9-Y24V-00000-00&idtype=PID&context=1516831)

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44. [*Opportunity opens for farmers to access grant to improve the performance of their holdings*](https://advance.lexis.com/api/document?id=urn:contentItem:5RF2-RXG1-JD3Y-Y0JT-00000-00&idtype=PID&context=1516831)

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45. [*Florida FSA - Deadline Approaches for the 2017 Wildfires and Hurricanes Indemnity Program*](https://advance.lexis.com/api/document?id=urn:contentItem:5SKP-P7G1-F0YC-N2RM-00000-00&idtype=PID&context=1516831)

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46. [*Notice to Extraordinary General Meeting in Eltel AB*](https://advance.lexis.com/api/document?id=urn:contentItem:5T26-18B1-JD6G-P4GS-00000-00&idtype=PID&context=1516831)

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47. [*EC's new guarantee fund could be useful ally for markets*](https://advance.lexis.com/api/document?id=urn:contentItem:5TF9-9XK1-F0GS-H1GN-00000-00&idtype=PID&context=1516831)

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48. [*Washington: Worcester Business Owner Pleads Guilty to Defrauding SNAP Benefits Program and Selling Counterfeit Merchandise*](https://advance.lexis.com/api/document?id=urn:contentItem:5R4P-WX61-F0YC-N505-00000-00&idtype=PID&context=1516831)

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49. [*Notice of annual general meeting in Scandi Standard AB (publ)*](https://advance.lexis.com/api/document?id=urn:contentItem:5S4K-H731-F0NJ-D4G5-00000-00&idtype=PID&context=1516831)

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50. [*FEDERAL REGISTER: Seed Cotton Changes to Agriculture Risk Coverage ( ARC ), Price Loss Coverage (PLC) Programs Pages 40653 - 40659 [FR DOC # 2018-17681]*](https://advance.lexis.com/api/document?id=urn:contentItem:5T4K-PMC1-F0YC-N3HD-00000-00&idtype=PID&context=1516831)

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51. [*Washington: Summary of Disaster Supplemental*](https://advance.lexis.com/api/document?id=urn:contentItem:5R72-3W41-JDG9-Y30S-00000-00&idtype=PID&context=1516831)

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52. [*Roane/Calhoun County FSA Updates Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)*](https://advance.lexis.com/api/document?id=urn:contentItem:5SR7-M1T1-JDG9-Y2CX-00000-00&idtype=PID&context=1516831)

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53. [*FEDERAL REGISTER: Agricultural Trade Promotion Program Pages 44178 - 44195 [FR DOC # 2018-18870]*](https://advance.lexis.com/api/document?id=urn:contentItem:5T58-DM41-JDG9-Y010-00000-00&idtype=PID&context=1516831)

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54. [*Essex County , New Jersey , Couple and Son Charged in Food Stamp Scheme*](https://advance.lexis.com/api/document?id=urn:contentItem:5T7S-82Y1-JDG9-Y061-00000-00&idtype=PID&context=1516831)

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55. [*EU budget czar Oettinger downplays budget drama*](https://advance.lexis.com/api/document?id=urn:contentItem:5TSG-RDY1-DXFJ-5368-00000-00&idtype=PID&context=1516831)

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56. [*What really happened in Security Council: China REJECTED oil embargo on North Korea*](https://advance.lexis.com/api/document?id=urn:contentItem:5R7Y-YS41-JCMN-Y229-00000-00&idtype=PID&context=1516831)

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57. [*The farm bill is changing for the worse*](https://advance.lexis.com/api/document?id=urn:contentItem:5TVM-9351-F0YC-N2Y4-00000-00&idtype=PID&context=1516831)

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58. [*Cargill extends direct sourcing program to four more districts after doubling sustainably sourced cocoa in Ghana*](https://advance.lexis.com/api/document?id=urn:contentItem:5T6H-D3J1-JC6M-X17B-00000-00&idtype=PID&context=1516831)

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59. [*Argentina Set To Significantly Narrow Fiscal Deficit*](https://advance.lexis.com/api/document?id=urn:contentItem:5TVB-NC81-JD33-J15H-00000-00&idtype=PID&context=1516831)

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60. [*Federal Register: Supplemental Agricultural Disaster Assistance Programs, Payment Limitation and Payment Eligibility Pages 49459 - 49472 [FR DOC # 2018-21257]*](https://advance.lexis.com/api/document?id=urn:contentItem:5TDF-MWK1-JDG9-Y25T-00000-00&idtype=PID&context=1516831)

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61. [*Pearl River County to Elect New Committee Member MAL and LDP Policy*](https://advance.lexis.com/api/document?id=urn:contentItem:5TPB-WCG1-F0YC-N139-00000-00&idtype=PID&context=1516831)

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62. [*Electric bikes, remote control car parks, a turbot fish farm, industrial strategy ... some of issues backlogged and awaiting ministerial nod*](https://advance.lexis.com/api/document?id=urn:contentItem:5TT4-6261-DYTY-C35J-00000-00&idtype=PID&context=1516831)

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63. [*FEDERAL REGISTER: Revision of Delegations of Authority and Commodity Credit Corporation Board of Directors Meeting Requirements Pages 22177 - 22190 [FR DOC # 2018-10133]*](https://advance.lexis.com/api/document?id=urn:contentItem:5SB5-CCG1-F0YC-N0X7-00000-00&idtype=PID&context=1516831)

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64. [*FEDERAL REGISTER: 2018 Rates Charged for AMS Services Pages 22239 - 22243 [FR DOC # 2018-10132]*](https://advance.lexis.com/api/document?id=urn:contentItem:5SB5-CCG1-F0YC-N0X5-00000-00&idtype=PID&context=1516831)

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65. [*Carroll County TN FSA*](https://advance.lexis.com/api/document?id=urn:contentItem:5SJJ-GP51-F0YC-N14C-00000-00&idtype=PID&context=1516831)

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66. [*Register of Commission documents:DRAFT REPORT on the Future of Food and Farming Document date: 2018-02-20 AGRI\_PR(2018)618154 Draft reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5RRR-NPX1-F0YC-N2J3-00000-00&idtype=PID&context=1516831)

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67. [*FEDERAL REGISTER: Affordable Housing Program Amendments Pages 11344 - 11390 [FR DOC # 2018-04745]*](https://advance.lexis.com/api/document?id=urn:contentItem:5RWJ-R201-F0YC-N3BD-00000-00&idtype=PID&context=1516831)

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68. [*Tariff retaliation relief package to provide $7m benefit to organics*](https://advance.lexis.com/api/document?id=urn:contentItem:5TC6-S471-F0CX-92D0-00000-00&idtype=PID&context=1516831)

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69. [*Washington: STRENGTHENING CAREER AND TECHNICAL EDUCATION FOR THE 21ST CENTURY ACT (House of Representatives - July 25, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5SWY-84M1-F0YC-N0WT-00000-00&idtype=PID&context=1516831)

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70. [*Register of Commission documents: European Parliament resolution of 5 July 2018 on the mandate for the trilogue on the 2019 draft budget (2018/2024(BUD)) Document date: 2018-07-05 P8\_TA-PROV(2018)0311 Texts adopted (provisional edition*](https://advance.lexis.com/api/document?id=urn:contentItem:5S5R-4D91-F0YC-N4DS-00000-00&idtype=PID&context=1516831)

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71. [*Washington: TEXT OF AMENDMENTS (Senate - June 28, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5SP0-NR01-JDG9-Y003-00000-00&idtype=PID&context=1516831)

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72. [*Mnuchin And Mulvaney Release Joint Statement On Budget Results For Fiscal Year 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5TH9-3YP1-JDG9-Y097-00000-00&idtype=PID&context=1516831)

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73. [*Register of Commission documents: Report from the Commission to the Council and the European Parliament Twelfth Annual Report 2017 on the implementation of Community assistance under Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community Document date: 2018-06-22 COM\_COM(2018)0487 COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5S1P-1D91-JDG9-Y4FD-00000-00&idtype=PID&context=1516831)

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74. [*- IMF Staff Concludes Visit to Kenya*](https://advance.lexis.com/api/document?id=urn:contentItem:5SYX-RB31-JD3Y-Y0GN-00000-00&idtype=PID&context=1516831)

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75. [*Tanzania 's special economic zones continue to attract regional investors*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4Y1-DXYV-7021-00000-00&idtype=PID&context=1516831)

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76. [*Washington: AMS Reaches a Settlement with Roland Cook*](https://advance.lexis.com/api/document?id=urn:contentItem:5SW9-MRS1-JDG9-Y1KW-00000-00&idtype=PID&context=1516831)

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77. [*Pender-New Hanover County FSA Updates*](https://advance.lexis.com/api/document?id=urn:contentItem:5TH9-3YP1-JDG9-Y0CD-00000-00&idtype=PID&context=1516831)

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78. [*FEDERAL REGISTER: Summer Food Service Program 2018 Reimbursement Rates Pages 4025 - 4026 [FR DOC # 2018-01618]*](https://advance.lexis.com/api/document?id=urn:contentItem:5RHT-6831-JDG9-Y2V7-00000-00&idtype=PID&context=1516831)

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79. [*Register of Commission documents: Contribution - German Bundesrat - Proposal for a Council regulation laying down implementing measures for the system of own resources of the European Union Document date: 2018-10-04 DE\_BUNDESRAT\_CONT1- COM (2018)0327 Contributions on documents from the Commission*](https://advance.lexis.com/api/document?id=urn:contentItem:5SM8-9781-F0YC-N0XX-00000-00&idtype=PID&context=1516831)

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80. [*Register of Commission documents: DRAFT REPORT on the Council position on the draft general budget of the European Union for the financial year 2019 Document date: 2018-09-27 BUDG\_PR(2018)626971 Draft reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5SJ4-GXW1-JDG9-Y1PH-00000-00&idtype=PID&context=1516831)

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81. [*Programme summary of Kazakh Khabar TV 'Itogi dnya' news 1500 gmt 13 Sept 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5T87-4C71-JC8S-C04T-00000-00&idtype=PID&context=1516831)

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82. [*Raiffeisen Bank Aval - Focus Ukraine : Monthly Economic Review, October 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5TK7-DJK1-JDVR-03T6-00000-00&idtype=PID&context=1516831)

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83. [*Budget 2019: The key points*](https://advance.lexis.com/api/document?id=urn:contentItem:5TFK-KDP1-F16V-S0GG-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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84. [*UN urges donors to set aside N. Korea political issues*](https://advance.lexis.com/api/document?id=urn:contentItem:5S3B-1BS1-DY93-M15N-00000-00&idtype=PID&context=1516831)

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85. [*Government of Telangana Entities: Provisional [ ICRA ]A(SO)(Stable) rating reassigned*](https://advance.lexis.com/api/document?id=urn:contentItem:5T0S-CFT1-F19S-P1KT-00000-00&idtype=PID&context=1516831)

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86. [*Washington: TRANSMISSION OF MATERIALS IN THIS RELEASE IS EMBARGOED UNTIL 8:30 A.M (Eastern) Thursday, April 19, 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5S4W-5561-JDG9-Y53S-00000-00&idtype=PID&context=1516831)

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87. [*Register of Commission documents: Agenda - COMMITTEE MEETING FOR AGRICULTURAL FUNDS Document date: 2018-12-03 COM-AC\_DI(2018)A059906-01 Comitology - Documents for information*](https://advance.lexis.com/api/document?id=urn:contentItem:5TWP-FCY1-F0YC-N410-00000-00&idtype=PID&context=1516831)

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88. [*FEDERAL REGISTER: Single Family Housing Guaranteed Loan Program Pages 42618 - 42622 [FR DOC # 2018-18089]*](https://advance.lexis.com/api/document?id=urn:contentItem:5T4K-PN11-JDG9-Y4H7-00000-00&idtype=PID&context=1516831)

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89. [*FEDERAL REGISTER: Announcement of Grant and Loan Application Deadlines Pages 28616 - 28622 [FR DOC # 2018-13235]*](https://advance.lexis.com/api/document?id=urn:contentItem:5SM2-YN71-JDG9-Y0FG-00000-00&idtype=PID&context=1516831)

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90. [*Washington: DIRECTING THE SECRETARY OF AGRICULTURE TO TRANSFER CERTAIN FEDERAL LAND TO FACILITATE SCIENTIFIC RESEARCH (House of Representatives - March 13, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5RWJ-R201-F0YC-N1WX-00000-00&idtype=PID&context=1516831)

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91. [*Council of the European Union:3580 Competitiveness (Internal Market, Industry, Research and Space) ST 15212 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5R89-XVM1-JDG9-Y2MN-00000-00&idtype=PID&context=1516831)

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92. [*Emerging markets benefit from reinsurance programmes to protect against natural disasters*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4Y1-DXYV-7140-00000-00&idtype=PID&context=1516831)

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93. [*Register of Commission documents: Commission staff working document Analysis of the draft budgetary plan of the Slovakia Accompanying the document Commission opinion on the Draft Budgetary Plan of Slovakia Document date: 2018-11-21 COM\_SWD(2018)0527 SWD/SEC documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5SS3-RTG1-JDG9-Y3C8-00000-00&idtype=PID&context=1516831)

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94. [*Azeri economists slam government over state budget for 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5K-YX21-DYRV-3555-00000-00&idtype=PID&context=1516831)

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95. [*Signup underway for the Market Facilitation Program (MFP)*](https://advance.lexis.com/api/document?id=urn:contentItem:5THF-77K1-F0YC-N3RK-00000-00&idtype=PID&context=1516831)

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96. [*Contributions boosted EU planning to cut subsidies for farmers and roads*](https://advance.lexis.com/api/document?id=urn:contentItem:5S65-KXX1-JB4C-N3VT-00000-00&idtype=PID&context=1516831)

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97. [*AMENDING THE WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS QUANTIFICATION ACT OF 2010 (Senate - November 15, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5TRV-7SG1-F0YC-N3FD-00000-00&idtype=PID&context=1516831)

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98. [*Register of Commission documents: Recommendation for a Council Recommendation on the 2018 National Reform Programme of Slovakia and delivering a Council opinion on the 2018 Stability Programme of Slovakia Document date: 2018-05-23 COM\_COM(2018)0424 COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5RWJ-R291-F0YC-N0TF-00000-00&idtype=PID&context=1516831)

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99. [*Financing the future: Public and private sector activity set to meet new challenges*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4Y1-DXYV-70RW-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 07 dec 2017 tot 07 dec 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

100. [*JUVENILE JUSTICE REFORM ACT OF 2018 (House of Representatives - September 28, 2018)*](https://advance.lexis.com/api/document?id=urn:contentItem:5TDF-MWN1-JDG9-Y03R-00000-00&idtype=PID&context=1516831)

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# [***SFGCU Advances UAH 606 Million To Farmers In January-June Under Forward Contract Program***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SXW-40D1-JB5M-W1SP-00000-00&context=1516831)

Ukrainian News Agency

August 1, 2018 6:30 AM EST

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**Length:** 313 words

**Body**

The State Food and Grain Corporation of Ukraine (SFGCU) advanced UAH 606 million to ***agricultural*** producers in the period of January-June this ***year*** under a ***program*** for conclusion of forward contracts for the 2018 grain harvest.

The SFGCU announced this in a statement, the Ukrainian News Agency reports.

"More than UAH 606 million in advance ***payments*** was ***transferred*** to ***agricultural*** producers under the forward ***program*** in the first half of this ***year***, which is more than three times the amount that was ***transferred*** in the corresponding period of last ***year***," the statement said.

According to the statement, the SFGCU has repaid USD 150 million in credits and USD 91.7 million in interest on the credits since the beginning of 2018.

As Ukrainian News Agency earlier reported, the SFGCU's net profit reduced by UAH 142.876 million or 48% to UAH 154.701 million in the period of January-June this ***year***, compared with the corresponding period of last ***year*** (based on the International Financial Reporting Standards).

At the same time, the SFGCU's revenue reduced by UAH 9.029 million or 0.2% to UAH 6.066 billion in the first half of this ***year***, compared with the corresponding period of 2017.

As of May 18, the SFGCU had financed ***agricultural*** producers with more than UAH 450 million since the beginning of the ***program*** for conclusion of forward contracts for the 2018 grain harvest.

The State Food And Grain Corporation is a public joint-stock company that was created in November 2011 through transformation of the State Food and Grain Corporation from a state enterprise into a state-owned public joint-stock company.

The public joint-stock company inherited all the rights and obligations of the state enterprise and the state retains 100% of the shares in it.

The Cabinet of Ministers in August 2010 to set up the SFGCU on the basis of the Khlib Ukrainy state joint-stock company's subsidiaries.

**Load-Date:** August 1, 2018

**End of Document**



[***International Monetary Fund (IMF) Staff Reviews Progress of Madagascar's Economic Program***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S04-6TJ1-F0K1-N4G6-00000-00&context=1516831)

M2 PressWIRE

March 28, 2018 Wednesday

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**Length:** 1037 words

**Body**

March 28, 2018

Performance under the ECF-supported ***program*** is positive overall. Economic growth is projected at 5.0 percent in 2018, and prudent monetary policy is helping to contain inflation. Scaling-up public investment, accelerating reforms at JIRAMA, and passing laws to strengthen governance are key to advance ***program*** priorities.

A team from the International Monetary Fund (IMF) led by Marshall Mills, Mission Chief for Madagascar, visited Antananarivo from March14--28, 2018 to hold discussions on the third review of Madagascar's economic reform ***program*** supported by the IMF's three-***year*** Extended Credit Facility (ECF) [1].Good progress was made during the discussions, and they will continue in the coming weeks. Following conclusion of ongoing discussions, the IMF Executive Board could consider the third ECF review in June 2018.

At the end of the mission, Mr. Mills issued the following statement:

"Madagascar's economic conditions remain favorable, with sustained growth and macroeconomic stability in spite of some shocks. Economic growth was estimated at 4.2 percent in 2017, despite the effects of a major cyclone and drought on ***agriculture*** and hydropower, as well as an outbreak of the plague on tourism. Growing export revenues from vanilla-boosted by high prices-and light manufactured goods led to a strong currency and created room for a substantial accumulation of foreign exchange reserves, which exceeded 4 months of imports at end-2017. The central bank has appropriately managed an associated increase in bank liquidity. Growth is projected to accelerate to 5.0 percent in 2018, led by rising public investment, continued growth in manufacturing, a rebound in ***agriculture*** and a recovery in the mining sector. Inflation is expected to decline gradually to below 8 percent by end-2018, after it rose slightly to 9 percent in 2017 due to weather-related shocks.

"Performance under the ECF-supported ***program*** remains broadly satisfactory. Based on current data, all quantitative performance targets for end-December were met and for most with a large margin. In particular, reserve accumulation and the fiscal balance continued to exceed ***program*** targets. Implementation of structural reforms in the ***program*** generally advanced as planned, except for fuel pricing and a minor delay in the new statistics law.

"Staff urged the authorities to maintain the momentum of the ***program*** to date. In particular, shifting from less productive public spending to investment and social spending is a core ***program*** objective. In the context of discussions between the authorities and the fuel distributors on a new price structure, there were delays in adjusting pump prices to rising world prices, which led to the authorities accumulating liabilities to fuel distributors. Staff recommended that the authorities adjust pump prices gradually to align them with world market prices and to eliminate the liabilities by ***year*** end.

"Financial difficulties at the state-owned public utility JIRAMA continue to weigh heavily on public finances despite the launch of an ambitious plan to restructure the company. Large losses last ***year*** exacerbated by the drought exceeded budgeted ***transfers***, putting additional pressure on public resources. Under the authorities' current plans, JIRAMA's ***transfer*** needs are also expected to exceed budgeted ***transfers*** this ***year***, as higher world fuel prices and service on the debt accumulated in recent ***years*** offset the impact of favorable rainfall on hydropower production. Staff urged the authorities to implement measures to limit these operational losses and JIRAMA's need for government ***transfers***. In addition, higher than expected needs for the government's wage bill and pensions will also require increased public resources.

"Discussions also addressed priority medium-term structural reforms in monetary policy, financial sector development, and public investment. The BFM continues to develop its operational framework for monetary operations, through a better focus on managing excess bank liquidity and strengthening the legislative framework. The central bank and the ministry of finance and budget also plan to update the legal and regulatory framework for the operation of the foreign exchange market. Building on the Financial System Stability Assessment (FSSA), the authorities will update the legal and regulatory supervisory framework, move towards risk-based prudential supervision, and submit a revised banking law by ***year*** end. They are also working to speed up the execution of investment spending that is central to the ***program***'s growth strategy. The recently adopted investment management strategy should improve implementation monitoring and ensure the consistency of new investment projects with the national development strategy.

On governance, staff stressed the vital importance of enacting the asset recovery and Anti-Money Laundering laws submitted to parliament, to fight corruption and maintain good banking relationships internationally. It also remains important to follow through with implementation of the strengthened anti-corruption legislation, asset declaration framework, and improvements to public financial management.

"The mission met with President Hery Rajaonarimampianina, Minister of Finance and Budget Vonintsalama Andriambololona, Minister of Economy and Plan Herilanto Raveloharison, Central Bank of Madagascar Governor Alain Rasolofondraibe, senior officials, as well as private sector representatives, and development partners.

"The mission thanks the Malagasy authorities for their strong cooperation and the constructive discussions."

[1]The ECF is a lending arrangement that provides sustained ***program*** engagement over the medium to long term in case of protracted balance of ***payments*** problems. The arrangement for Madagascar in the amount of SDR 220 million (about US$ 304.7 million or 180 percent of quota) was approved by the IMF Executive Board on July 28, 2016. Augmentation of access was granted under the ***program*** for SDR 30.55 million (about US$ 42.39 million or 12.5 percent of the country's quota) following the IMF Executive Board meeting on June 28, 2017.

Distributed by APO Group on behalf of International Monetary Fund (IMF).

**Load-Date:** March 28, 2018

**End of Document**



[***Data issues will not delay KT payments, claims Department***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TJG-RSR1-DYTY-C3TR-00000-00&context=1516831)

Irish Independent

October 23, 2018 Tuesday

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**Section:** FARMING;NEWS; Pg. 7

**Length:** 260 words

**Byline:** DECLAN O'BRIEN

**Body**

THE Department of ***Agriculture*** has insisted that ***payments*** under the Knowledge ***Transfer*** (KT) ***Programme*** will not be delayed as a result of data protection concerns raised by Teagasc.

The problems centre on a Department request to Teagasc for access to the E-Profit Monitors submitted by KT members.

It is understood that Teagasc sought legal opinion on the request on the grounds that releasing such information would be in breach of the EU's new General Data Protection Regulation (GDPR) which came into force earlier this ***year***.

Discussions on the matter have taken place between the Department of ***Agriculture*** and Teagasc, with a view to putting agreed procedures in place.

"Teagasc has had discussions with DAFM to ensure that procedures around inspection of KT groups are carried out efficiently and effectively and are in line with GDPR. This includes appropriate access to profit monitor records where required," Teagasc stated.

"We are satisfied with the procedures put in place and do not expect that this will delay KT Group ***payments***," the statement added.

The Department has also played down the likelihood of any KT ***payment*** delays.

It stated that "notification of procedures in relation to standard scheme inspections in order to meet regulatory requirements have not changed from ***Year*** One of the ***programme***. ***Payments*** on the ***programme*** are expected to issue shortly in line with commitments in the Farmers' Charter."

Funding of (EURO)100m to 2020 is allocated under the Rural Development ***Programme*** for KT groups. Almost 20,000 farmers are members of 1,200 KT groups.

**Load-Date:** October 23, 2018

**End of Document**



[***Senate farm bill is lesser of two evils***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SWR-YYW1-F0YC-N2HB-00000-00&context=1516831)

Impact News Service

July 26, 2018 Thursday

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**Length:** 743 words

**Body**

Washington, D.C: American Enterprise Institute  has issued the following press release:

The 2018 farm bill has entered the final stretch before becoming law, with proponents of the House and Senate versions vying for legislative acceptance during the upcoming congressional conference process. When it comes to ***agricultural*** subsidies, both the House and Senate farm bills are seriously flawed. The one positive thing that can be said about the Senate version is that it is not as bad as the bill put forward by the House ***Agriculture*** Committee. The House bill expands spending on farm subsidies and wastes American resources.

It does nothing to mitigate the flow of billions of federal dollars to large scale farm business operations, reflecting successful lobbying efforts by prosperous farm interest groups and agribusinesses. Instead, the House bill continues subsidy ***programs*** that have for decades funneled about 70 percent of all ***payments*** to the largest 10 percent to 15 percent of farm businesses. Twenty20.com Sadly, while less harmful, even the Senate bill, passed last month on an overwhelmingly bipartisan basis, does little to change that story. In the Senate bill, an amendment put forth by Chuck Grassley (R-Iowa) may limit the flow of funds to very large agribusiness farms. His initiative ensures that only one person on any given farm is eligible for subsidies provided under price loss coverage and the ***agricultural*** risk coverage. Thanks to Pat Roberts (R-Kansas) and Debbie Stabenow (D-Mich.), respectively the chairman and ranking member of the Senate ***Agriculture*** Committee, the initiative will limit ***agricultural*** businesses to a maximum of only $125,000 from the two major subsidy ***programs***. The Grassley initiative is scarcely a radical and draconian proposal. It affects only a small number of very large and wealthy farm operations, and ensures that subsidy ***payments*** be given only to individuals who actually work on these farms. To put it into perspective, it is worth noting that about 80 percent of all farms in the United States receive annually no more than $10,000 from the ***programs*** that are subject to such limits. More than 50 percent of farms receive less than $2,500. But if the past is any predictor of the future, major farm lobbies are likely to cry havoc and claim that the very foundations of our food system will be shaken by the modest Grassley proposal. If the initiative survives the forthcoming conference process between the House and Senate ***agriculture*** committees, the savings to taxpayers could reach up to $200 million a ***year***, according to Congressional Budget Office estimates. In contrast, the House bill ensures unlimited access to such subsidies for large farm businesses. In both the House and Senate bills, many other expensive ***agricultural*** ***programs*** have been left untouched, including the heavily subsidized federal crop insurance ***program***. Few Americans would really believe that the federal crop insurance ***program*** is primarily a risk management ***program*** and not an income ***transfer*** ***program***. Taxpayers cough up over 70 percent of the total cost of a crop insurance policy for a typical farm business. As a result, farm businesses receive a return of about $2.10 on every dollar they invest in premium ***payments***. Today, crop insurance companies make an annual average $2.5 billion in revenues funded by taxpayers, while the ***program*** hands over about $5.8 billion to farm businesses. In order to give a farm business a $1,000 premium subsidy, the federal government has to hand over an additional $400 to the insurance company selling the policy. That is an expensive way to ***transfer*** taxpayer dollars to wealthy farm businesses and land owners. Furthermore, crop insurance subsidies have no limits. The bigger the farm, the bigger the subsidy, even if it means that millions of dollars in annual government subsidies go to individual farm businesses. What does the Senate bill do about crop insurance subsidies? Absolutely nothing. A modest amendment would have reduced premium subsidies for farm businesses owned by households with annual incomes above $700,000. While a very small number of rich farm businesses would have been affected, the amendment was killed almost immediately because of vigorous opposition from the crop insurance and farm lobbies. In the conference game between the two chambers of Congress, hopefully the Senate bill prevails. Despite all its flaws, it is still the lesser of two evils.

**Load-Date:** July 27, 2018

**End of Document**



[***Washington: Catonsville Man Convicted For Food Stamp Fraud***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RPP-PDJ1-JDG9-Y452-00000-00&context=1516831)

Impact News Service

February 21, 2018 Wednesday

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**Length:** 446 words

**Body**

Washington: US Department of Justice has issued the following news releaase:    A federal jury has convicted Mahmood Hussain Shah, age 58, of Catonsville, Maryland, on charges of wire fraud in connection with a scheme to illegally redeem food stamp benefits in exchange for cash. Shah and his co-defendant Muhammad Rafiq, age 33, of Reisterstown, Maryland, operated Corner Groceries, on Darley Avenue in Baltimore, and from October 2010 through August 2016, obtained more than $1,610,556 in ***payments*** for food sales that never occurred. The verdict was announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office; and Special Agent in Charge Bethanne M. Dinkins of the U.S Department of ***Agriculture*** Office of Inspector General, Northeast Region.

The Supplemental Nutrition Assistance ***Program*** (SNAP), previously known as the Food Stamp ***Program***, is administered by the Food and Nutrition Service (FNS) of the United States Department of ***Agriculture*** (USDA), together with state agencies. The ***program*** funds low-income individuals to allow them to obtain a more nutritious diet.  In Maryland, the ***program*** provides eligible individuals with an electronic benefit ***transfer*** (EBT) card called the Independence Card, which operates like a debit card.  Recipients obtain EBT cards through the state Department of Human Resources, then use the EBT card to purchase approved food items from participating retailers. Retailers must apply to and be approved by FNS to participate in the ***program***.  Authorized retailers use a point-of-sale terminal that checks the EBT card information and deducts the cash value of the purchase from the customer’s SNAP benefit balance. SNAP reimbursements are paid to retailers through electronic funds ***transfers***.  Retailers must bill the government only in return for providing approved food items.  When Shah exchanged EBT benefits for cash, he typically paid the SNAP recipient half the value of the EBT benefits and kept the other half for himself. To avoid detection, Shah often debited the funds from the card in multiple transactions over a period of hours or days, or called a different store where the transaction was processed manually. Shah faces a maximum sentence of 20 ***years*** in prison for the conspiracy. His sentencing date has been set for May 29, 2018. Acting United States Attorney Stephen M. Schenning commended the FBI and USDA Office of Inspector General for their work in the investigation.  Mr. Schenning thanked Assistant U.S Attorneys Sean R. Delaney and Paul E. Budlow, who prosecuted the case.

**Load-Date:** February 22, 2018

**End of Document**



[***African post offices: At forefront of remittance, financial services in rural areas***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SKP-P7G1-F0YC-N313-00000-00&context=1516831)

Impact News Service

June 19, 2018 Tuesday

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**Length:** 760 words

**Body**

Brussels: World Savings Banks Institute has issued the following press release:

​Rome, 15 June 2018 – Postal services can play a pivotal role in delivering remittances, lowering the ***transfer*** costs and providing access to basic financial services in Africa, according to a report released today by the International Fund for ***Agricultural*** Development (IFAD) and the European Commission (EC) on the occasion of the International Day of Family Remittances to be observed tomorrow.

The report, A success story on remittances at the post office in Africa, analyses the results achieved by African Postal Financial Services Initiative (APFSI), a joint ***programme*** led by IFAD and financed by the European Union (EU). The ***programme*** has been implemented in 11 African countries in cooperation with the World Bank, the United Nations Capital Development Fund, the Universal Postal Union and the World Savings and Retail Banking Institute.

The APFSI joint ***programme*** has helped post offices develop more effective business models, upgrade their computer technology and connectivity, and improve their expertise in order to process real-time ***payments*** and offer and manage financial services.

'The remittance market is changing at a rapid pace,” said Pedro De Vasconcelos, Coordinator of the Financing Facility for Remittances at IFAD. “Technology is transforming the ***payment*** systems and digitalized financial services are creating new opportunities. In this context, postal operators play a prominent role in delivering remittances to rural migrant families, providing them with financial services they rarely had access to.”

According to De Vasconcelos, the strong presence of post offices in remote and rural areas is extremely valuable. Their historic footprint helps build trust in the provision of rural financial services.

In 2017 alone, African migrant workers sent over US$70 billion to their families back home, representing an increase of more than 10 per cent from 2016 and more than 36 per cent over the past decade.

Sub-Saharan Africa remains the most expensive region in the world to send money home. In 2017 the average cost was 9.3 per cent of the amount sent.

As a result of the AFPSI joint ***programme***, which has been implemented over the last five ***years***, the cost of receiving remittances via post offices in four pilot countries, Benin, Ghana, Madagascar and Senegal,  decreased by 42 per cent and post offices delivered remittance services at an average cost of less than 5 per cent. This means an additional $35 million were available to migrant families between 2014 and 2016.

'The EU is committed to work with partners to lower the cost of remittances and promote faster, cheaper and safer ***transfers***. Our collective objective is to reduce to less than 3 per cent the transaction costs and eliminate remittance corridors with ***transfer*** costs higher than 5 per cent, as stated in the 2030 Agenda and the European Consensus for Development,' said Stefano Signore, Head of Unit in charge of Migration and Employment in the Directorate General for International Cooperation and Development at the EC.

Financial inclusion remains a challenge in Africa. According to recent estimates, only 41 per cent of the population above 15 ***years*** of age has an account and access to formal financial services. In this context, postal operators have an important role to play, especially in rural areas. As a result of the joint ***programme***, at least 100,000 adults opened new postal accounts accessing financial services for the first time.

'Having a savings account and access to credit is fundamental for families to invest in income-generating activities and build their future,' said Mauro Martini, an IFAD expert on remittances and migrants’ investments and co-author of the report. 'Remittances can be an engine for development.'

Estimates show that while 75 per cent of remittances are generally spent on basic needs such as food, housing, health and education, another 25 per cent can be invested in asset-building or activities that generate income and jobs and transform economies, in particular in rural areas.

The EC began collaborating with IFAD in 2004, with the intention of increasing the development impact of remittances while enabling poor households in rural areas to access financial services. Since 2005, the EC has mobilized euro 9.5 million for IFAD’s Financing Facility for Remittances, including the APFSI. A new euro 15 million ***programme*** focusing on Africa will be launched soon to reduce costs further and improve financial inclusion and impact for development.

**Load-Date:** June 19, 2018

**End of Document**



[***FEDERAL REGISTER: Notice of Solicitation of Applications for Loan Guarantees Under the Section 538 Guaranteed Rural Rental Housing Program for Fiscal Year 2018 Pages 60579 - 60584 [FR DOC # 2017-27527]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R7G-CX11-JDG9-Y1XV-00000-00&context=1516831)

Impact News Service

December 21, 2017 Thursday

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**Length:** 6300 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Rural Housing Service Notice of Solicitation of Applications for Loan Guarantees Under the Section 538 Guaranteed Rural Rental Housing ***Program*** for Fiscal ***Year*** 2018 AGENCY: Rural Housing Service, USDA. ACTION: Notice. ----------------------------------------------------------------------- SUMMARY: The Rural Housing Service (RHS or Agency), an agency within Rural Development, announces that it is soliciting competitive lender submissions (responses) regarding proposed projects for the Section 538 Guaranteed Rural Rental Housing ***Program*** (GRRHP). The amount of ***program*** dollars available for the GRRHP will be determined by the Appropriations Act for each fiscal ***year*** that this Notice is open. DATES: Eligible responses to this Notice will be accepted until December 31, 2021, 12:00 p.m Eastern Time. Funding for selected responses that develop into complete applications and meet all Federal eligibility requirements will be based on the Appropriations Act for each individual fiscal ***year*** that this NOSA is open.

Selected responses to this Notice that are deemed eligible for further processing after each fiscal ***year*** ends, will be funded to the extent an Appropriations Act provides sufficient funding in the fiscal ***year*** the response is selected. Approved applications are subject to the fee structure in effect when the response was selected for further processing. For example, a response that was selected under the 2016 NOSA will be subject to all fees stated in the 2016 NOSA. ADDRESSES: Responses to this Notice may be submitted either electronically using the Section 538 electronic response form found at: [*http://www.rd.usda.gov/****programs****-services/multi-family-housing-loan-guarantees*](http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees) under the Forms and Resources tab or in hard copy to the appropriate Rural Development State Office where the project will be located. USDA Rural Development State Offices, their addresses, and telephone numbers may be found at:   [*http://www.rd.usda.gov/contact-us/state-offices*](http://www.rd.usda.gov/contact-us/state-offices). Note: Telephone numbers listed are not toll-free. Applicants are strongly encouraged, but not required, to submit the response electronically. Eligible lenders mailing a response or application must provide sufficient time to permit delivery to the appropriate submission address below on or before the closing deadline and time. Acceptance by a U.S Post Office or private mailer does not constitute delivery. Postage due responses and applications will not be accepted. FOR FURTHER INFORMATION CONTACT: Monica Cole, Financial and Loan Analyst, U.S Department of ***Agriculture*** Rural Development, Guaranteed Rural Rental Housing ***Program***, Multi-Family Housing Guaranteed Loan Division, 1400 Independence Avenue SW, Room 1263S-STOP 0781, Washington, DC 20250-0781 or email: [*monica.cole@wdc.usda.gov*](mailto:monica.cole@wdc.usda.gov) Telephone: (202) 720-1251. This number is not toll-free. Hearing or speech-impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339. SUPPLEMENTARY INFORMATION: The obligation of available funds, via the issuance of Conditional Commitments for loan guarantees, will be made in the following order: (1) To outstanding approved applications from prior ***years*** for which Conditional Commitments have not been issued; then (2) to applications approved under this Notice in the order by which the request for funding obligation is received by the USDA Rural Development National Office (National Office) from the State Offices. When funding is insufficient to serve all applications approved under this Notice, they will be funded according to the priority scoring set forth in Section V of this Notice. Expenses incurred in developing applications will be at the applicant's risk. The following paragraphs outline the timeframes, eligibility requirements, lender responsibilities, and the overall response and application processes. Any modifications to this Notice, including cancellation, will be published in the Federal Register. Eligible lenders are invited to submit responses for new construction and acquisition with rehabilitation of affordable rural rental housing. The Agency will review responses submitted by eligible lenders, on the lender's letterhead, and signed by both the prospective borrower and lender. Although a complete application is not required in response to this Notice, eligible lenders may submit a complete application concurrently with the response. Submitting a complete application will not have any effect on the respondent's response score. Overview Federal Agency: Rural Housing Service. Solicitation Opportunity Title: Guaranteed Multi-Family Housing Loans. Announcement Type: Initial Solicitation Announcement. [[Page 60580]] Catalog of Federal Domestic Assistance: 10.438 Dates: Response Deadline: December 31, 2021, 12:00 p.m Eastern Time. I. Funding Opportunity Description The GRRHP is authorized by Section 538 of the Housing Act of 1949, as amended (42 U.S.C 1490p-2) and operates under 7 CFR part 3565. The purpose of the GRRHP is to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between the Agency, private lenders, and public agencies. Eligibility of Prior ***Year*** Selected Responses: Prior fiscal ***year*** response selections that did not develop into complete applications within the time constraints stipulated by the corresponding State Office have been cancelled. Lenders and applicants have been notified of the cancellation by the State Office. A new response for the project may be submitted subject to the conditions of this Notice. Prior ***years***' responses that were selected by the Agency, with a complete application submitted by the lender within 90 days from the date of notification of response selection (unless an extension was granted by the Agency), will be eligible for review, approval and FY 2018 ***program*** dollars without having to complete a FY 2018 response. A complete application includes all Federal environmental documents required by 7 CFR part 1970, subpart G, and a Form RD 3565-1, ``Application for Loan and Guarantee''. If approved, applications that accompanied a response submitted under a prior ***year***'s notice (outstanding prior ***years*** approved applications) will be obligated in the order by which the Agency's National Office received the request for obligation from the State Offices, to the extent of available funding. Once the outstanding prior ***years*** approved applications have been funded, the Agency will fund applications approved pursuant to this Notice in the order by which the Agency's National Office received the request for obligation from the State Offices. If funding is insufficient to serve applications pursuant to this Notice, they will be funded according to the priority scoring set forth in Section V of this Notice. The obligation of ***program*** funds is discussed further in Section VI of this Notice. II. Award Information Anyone interested in submitting a response and application for funding under this ***program*** is encouraged to consult the Rural Development website   [*http://www.rd.usda.gov/****programs****-services/multi-family-housing-loan-guarantees*](http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees) periodically for updated information regarding the status of funding authorized for this ***program***. Qualifying Properties: Qualifying properties include new construction for multi-family housing units and the acquisition of existing structures with a minimum per unit rehabilitation expenditure requirement in accordance with 7 CFR 3565.252 The Agency does not finance acquisition only deals. Also eligible is the revitalization, repair, and ***transfer*** (as stipulated in 7 CFR 3560.406) of existing direct Section 515 housing and Section 514/516 Farm Labor Housing (FLH) (***transfer*** costs are subject to Agency approval and must be an eligible use of loan proceeds as listed in 7 CFR 3565.205), and properties involved in the Agency's Multifamily Preservation and Revitalization (MPR) Demonstration ***program***. Equity ***payment***, as stipulated in 7 CFR 3560.406, in the ***transfer*** of existing direct Section 515 and Section 514/516 FLH, is an eligible use of guaranteed loan proceeds. In order to be considered, the ***transfer*** of Section 515 and Section 514/516 FLH and MPR projects must need repairs and undergo revitalization of a minimum of $6,500 per unit. Eligible Financing Sources: Any form of Federal, State, and conventional sources of financing can be used in conjunction with the loan guarantee, including Home Investment Partnerships ***Program*** (HOME) grant funds, tax exempt bonds, and Low Income Housing Tax Credits (LIHTC). Types of Guarantees: The Agency offers three types of guarantees which are set forth at 7 CFR 3565.52(c). The Agency's liability under any guarantee will decrease or increase, in proportion to any decrease or increase in the amount of the unpaid portion of the loan, up to the maximum amount specified in the Loan Note Guarantee. Penalties incurred as a result of default are not covered by any of the ***program***'s guarantees. The Agency may provide a lesser guarantee based upon its evaluation of the credit quality of the loan. Energy Conservation: All new multi-family housing projects financed in whole or in part by USDA are encouraged to engage in sustainable building development that emphasizes energy-efficiency and conservation. In order to assist in the achievement of this goal, any GRRHP project that participates in one or all of the ***programs*** included in priority 7 under the ``Scoring of Priority Criteria for Selection of Projects'' section of this Notice may receive a maximum of 25 additional points added to their project score. Participation in these nationwide initiatives is voluntary, but strongly encouraged. Interest Credit: There will be no interest credit. ***Program*** Fees: The following fees have been determined necessary to cover the projected cost of loan guarantees. These fees may be adjusted based on the 2018 Appropriation requirements and in future ***years*** to cover the projected costs of loan guarantees in those future ***years***, or additional fees may be charged. The fees are as follows: 1. Initial guarantee fee. The Agency will charge an initial guarantee fee equal to one percent of the guarantee principal amount. For purposes of calculating this fee, the guarantee amount is the product of the percentage of the guarantee times the initial principal amount of the guaranteed loan. 2. Annual guarantee fee. An annual guarantee fee of 50 basis points (\1/2\ percent) of the outstanding principal amount of the loan as of December 31 will be charged each ***year*** or portion of a ***year*** that the guarantee is outstanding. 3. As permitted under 7 CFR 3565.302(b)(5), there is a non- refundable service fee of $1,500 for the review of a lender's first request to extend the term of a guarantee commitment beyond its original expiration (the request must be received by the Agency prior to the commitment's expiration). For any subsequent extension request, the fee will be $2,500. 4. As permitted under 7 CFR 3565.302(b)(5), there is a non- refundable service fee of $3,500 for the review of a lender's first request to reopen an application when a commitment has expired. For any subsequent extension request to reopen an application after the commitment has expired, the fee will be $3,500. 5. As permitted under 7 CFR 3565.302(b)(4), there is a non- refundable service fee of $1,500 in connection with a lender's request to approve the ***transfer*** of property or a change in composition of the ownership entity. 6. There is no application fee. 7. There is no lender application fee for lender approval. 8. There is no surcharge for the guarantee of construction advances. III. Lender Eligibility Information Eligible Lenders: An eligible lender for the Section 538 GRRHP as required by 7 CFR 3565.102 must be a licensed business entity or Housing Finance [[Page 60581]] Agency (HFA) in good standing in the State or States where it conducts business. Lender eligibility requirements are contained in 7 CFR 3565.102 Please review that section for a complete list of all of the criteria. The Agency will only consider responses from GRRHP eligible or approved lenders as described in 7 CFR 3565.102 and 3565.103 respectively. Lenders who do not have GRRHP approved lender status and whose responses are selected will be notified by the Agency to submit a request for GRRHP lender approval within 30 days of notification. Alternately, lenders may submit a request for GRRHP approved lender status with the response. Lenders who request GRRHP approval must meet the standards in 7 CFR 3565.103 Lenders that have received GRRHP lender approval that remain in good standing in accordance with 7 CFR 3565.105, do not need to reapply for GRRHP lender approval. Submission of Documentation for GRRHP Lender Approval: All lenders that have not yet received GRRHP lender approval must submit a complete lender application to: Director, Multi-Family Housing Guaranteed Loan Division, U.S Department of ***Agriculture*** Rural Development, 1400 Independence Avenue SW, Room 1263S-STOP 0781, Washington, DC 20250- 0781. Lender applications must be identified as ``Lender Application-- Section 538 Guaranteed Rural Rental Housing ***Program***'' on the envelope. IV. Response Submission Information Responses to this Notice may be submitted either electronically using the Section 538 electronic response form found at:   [*http://www.rd.usda.gov/****programs****-services/multi-family-housing-loan-guarantees*](http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees) under the Forms and Resources tab or in hard copy to the appropriate Rural Development State Office where the project will be located. USDA Rural Development State Offices, their addresses, and telephone numbers may be found at:   [*http://www.rd.usda.gov/contact-us/state-offices*](http://www.rd.usda.gov/contact-us/state-offices). Note: Telephone numbers listed are not toll-free. Lenders are strongly encouraged, but not required, to submit their responses electronically. The electronic form contains a button labeled ``Send Form.'' By clicking on the button, the applicant will see an email message window with an attachment that includes the electronic form the applicant filled out as a data file with an .fdf extension. In addition, an auto- reply acknowledgement will be sent to the applicant when the electronic response form is received by the Agency unless the sender has software that will block the receipt of the auto-reply email. The State Office will record responses received electronically by the actual date and time when all attachments are received at the State Office. Submission of the response to this Notice does not constitute submission of the entire loan guarantee application package, which requires additional forms and supporting documentation. Content of Responses: All responses require lender information and project specific data as set out in this Notice. Incomplete responses will not be considered for funding. Lenders will be notified of incomplete responses no later than 30 ***calendar*** days from the date of receipt of the response by the Agency. Complete responses are to include a signed cover letter from the lender, on the lender's letterhead. The lender must provide the requested information concerning the project, to establish the purpose of the proposed project, its location, and how it meets the established priorities for funding. In the case of insufficient funding for applications approved under this Notice, the Agency will fund those applications by highest ranked responses based on priority criteria. (1) Lender Certification: The lender must certify that the lender will make a loan to the prospective borrower for the proposed project, under specified terms and conditions subject to the issuance of the GRRHP guarantee. Lender certification must be on the lender's letterhead and signed by both the lender and the prospective borrower. (2) Project Specific Data: The lender must submit the project specific data below on the lender's letterhead, signed by both the lender and the prospective borrower: ------------------------------------------------------------------------ Information that must be Data element included ------------------------------------------------------------------------ Lender Name............................ Insert the lender's name. Lender Tax ID #........................ Insert lender's tax ID number. Lender Contact Name.................... Name of the lender contact for loan. Mailing Address........................ Lender's complete mailing address. Phone #................................ Phone number for lender contact. Fax #.................................. Insert lender's fax number. EMail Address.......................... Insert lender contact email address. Borrower Name and Organization Type.... State whether borrower is a Limited Partnership, Corporation, Indian Tribe, etc. Equal Opportunity Survey............... Optional Completion. Tax Classification Type................ State whether borrower is for profit, not for profit, etc. Borrower Tax ID #...................... Insert borrower's tax ID number. Borrower DUNS #........................ Insert DUNS number. Borrower Address, including County..... Borrower's complete address and county. Borrower Phone #, Fax # and EMail Insert borrower's phone number, Address. fax number and email address. Principal or Key Member for the Insert name and title. List the Borrower. general partners if a limited partnership, officers if a corporation or members of a Limited Liability Corporation. Borrower Information and Statement of Attach relevant information. Housing Development Experience. New Construction, Acquisition With State whether the project is Rehabilitation. new construction or acquisition with rehabilitation. Revitalization, Repair, and ***Transfer*** Yes or No (***Transfer*** costs, (as stipulated in 7 CFR 3560.406) of including equity ***payments***, are Existing Direct Section 515 and subject to Agency approval and Section 514/516 FLH or MPR. must be an eligible use of loan proceeds in 7 CFR 3565.205). Project Location Town or City.......... Town or city in which the project is located. Project County......................... County in which the project is located. Project State.......................... State in which the project is located. Project Zip Code....................... Insert zip code where the project is located. Project Congressional District......... Congressional District for project location. [[Page 60582]] Project Name........................... Insert project name. Project Type........................... Family, senior (all residents 55 ***years*** or older), or mixed. Property Description and Proposed Provide as an attachment. Development Schedule. Total Project Development Cost......... Enter amount for total project. # of Units............................. Insert the number of units in the project. Ratio of 3-5 Bedroom Units to Total Insert percentage of 3-5 Units. bedroom units to total units. Cost Per Unit.......................... Total development cost divided by number of units. Rent................................... Proposed rent structure. Median Income for Community............ Provide median income for the community. Evidence of Site Control............... Attach relevant information. Description of Any Environmental Issues Attach relevant information. Loan Amount............................ Insert the loan amount. Borrower's Proposed Equity............. Insert amount and source. Low Income Housing Tax Credits......... Have tax credits been awarded? If tax credits were awarded, submit a copy of the award/ evidence of award with your response. If not, when do you anticipate an award will be made (announced)? What is the [estimated] value of the tax credits? Letters of application and commitment letters should be included, if available. Other Sources of Funds................. List all funding sources other than tax credits and amounts for each source, type, rates and terms of loans or grant funds. Loan to Total Development Cost......... Guaranteed loan divided by the total development costs of project. Debt Coverage Ratio.................... Net Operating Income divided by debt service ***payments***. Percentage of Guarantee................ Percentage guarantee requested. Collateral............................. Attach relevant information. Colonia, Tribal Lands, or State's Colonia, on an Indian Consolidated Plan or State Needs Reservation, or in a place Assessment. identified in the State's Consolidated Plan or State Needs Assessment as a high need community for multi- family housing. Is the Property Located in a Federally If yes, please provide Declared Disaster Area?. documentation (i.e , Presidential Declaration document). Population............................. Provide the population of the county, city, or town where the project is or will be located. What Type of Guarantee is Being Enter the type of guarantee. Requested, Permanent Only (Option 1), Construction and Permanent (Option 2), or Continuous (Option 3). Loan Term.............................. Minimum 25-***year*** term. Maximum 40-***year*** term (includes construction period). May amortize up to 40 ***years***. Balloon mortgages permitted after the 25th ***year***. Participation in Energy Efficient Initial checklist indicating ***Programs***. prerequisites to register for participation in a particular energy efficient ***program***. All checklists must be accompanied by a signed affidavit by the project architect stating that the goals are achievable. If property management is certified for green property management, the certification must be provided. ------------------------------------------------------------------------ (3) The Proposed Borrower Information: (a) Lender certification that the borrower and principals are not barred or suspended from participating in State or Federal loan ***programs*** and are not delinquent on any Federal debt. (b) Borrower's unaudited or audited financial statements. (c) Statement of borrower's housing development experience. (4) Lender Eligibility and Approval Status: Evidence that the lender is either an approved lender for the purposes of the GRRHP or that the lender is eligible to apply for approved lender status. The lender's application package requesting approved lender status can be submitted with the response. If a lender has not yet been approved by the Agency submits a response and receives a Notice to Proceed from the State Office, the lender approval application must be submitted to the National Office within 30 ***calendar*** days of the lender's receipt of the Notice to Proceed letter. The Agency will not issue a loan note guarantee until the lender is approved by the Agency. (5) Competitive Criteria: Information that shows how the proposal is responsive to the priority scoring criteria specified in this Notice. V. Application Review Information Scoring of Priority Criteria for Selection: All responses received under this Notice will be scored based on the criteria set forth below to establish priority in the event there is insufficient funding. Per 7 CFR 3565.5(b), priority will be given to projects: in smaller rural communities, in the most needy communities having the highest percentage of leveraging, having the lowest interest rate, or having the highest ratio of 3-5 bedroom units to total units. In addition, as permitted in 7 CFR 3565.5(b), in order to meet important ***program*** goals, priority points will be given for projects that include LIHTC funding and projects that are participating in specified energy efficient ***programs***. The eight priority scoring criteria for projects are listed below. Priority 1--Projects located in eligible rural communities with the lowest populations will receive the highest points. ------------------------------------------------------------------------ Population size (people) Points ------------------------------------------------------------------------ 0-5,000...................................................... 30 5,001-10,000................................................. 15 10,001-15,000................................................ 10 15,001-20,000................................................ 5 20,001-35,000................................................ 0 ------------------------------------------------------------------------ Priority 2--The neediest communities as determined by the median income from the most recent census data published by the United States Department of Housing and Urban Development, will receive points. The Agency will allocate points to projects located in communities having the lowest median income. Points for median income will be awarded as follows: [[Page 60583]] ------------------------------------------------------------------------ Median income (dollars) Points ------------------------------------------------------------------------ Less than $45,000............................................ 20 $45,000-less than $55,000.................................... 15 $55,000-less than $65,000.................................... 10 $65,000-less than $75,000.................................... 5 $75,000 or more.............................................. 0 ------------------------------------------------------------------------ Priority 3--Projects that demonstrate partnering and leveraging in order to develop the maximum number of units and promote partnerships with State and local communities will also receive points. Points will be awarded as follows: ------------------------------------------------------------------------ Loan to total development cost ratio (%) Points ------------------------------------------------------------------------ Less than 25................................................. 60 Less than 50 to 25........................................... 30 Less than 70 to 50........................................... 10 70 or more................................................... 0 ------------------------------------------------------------------------ Priority 4--Responses that include equity from low income housing tax credits will receive an additional 50 points. Priority 5--The USDA Rural Development will award points to projects with the highest ratio of 3-5 bedroom units to total units as follows: ------------------------------------------------------------------------ Ratio of 3-5 bedroom units to total units Points ------------------------------------------------------------------------ More than 50%................................................ 10 21%-50%...................................................... 5 Less than 21%-more than 0%................................... 1 ------------------------------------------------------------------------ Priority 6--Responses for the revitalization, repair, and ***transfer*** (as stipulated in 7 CFR 3560.406) of existing direct Section 515 and Section 514/516 FLH and properties involved in the Agency's MPR Demonstration ***program*** (***transfer*** costs, including equity ***payments***, are subject to Agency approval and must be an eligible use of loan proceeds listed in 7 CFR 3565.205) will receive an additional 10 points. If the ***transfer*** of existing Section 515 and Section 514/516 FLH properties includes equity ***payments***, 0 points will be awarded. Priority 7--Energy Efficiency: (A) Projects that are energy-efficient and registered for participation in the following ***programs*** will receive points as indicated up to a maximum of 25 points. Each ***program*** has an initial checklist indicating prerequisites for participation. Each applicant must provide a checklist establishing that the prerequisites for each ***program***'s participation will be met. Additional points will be awarded for checklists that achieve higher levels of energy efficiency certification as set forth below. All checklists must be accompanied by a signed affidavit by the project architect stating that the goals are achievable. Points will be awarded for the listed ***programs*** as follows. Because Energy Star for Homes is a requirement within other ***programs*** such as LEED and Green Communities, points will only be awarded separately for Energy Star for Homes if it is the only ***program*** in which the project is enrolled, excluding local ***programs*** that do not require participation in Energy Star for Homes:  Energy Star for Homes--5 points;      Green Communities by the Enterprise Community Partners (   [*www.enterprisefoundation.org*](http://www.enterprisefoundation.org))--10 points;      LEED for Homes ***program*** by the U.S Green Building Council (   [*www.usgbc.org*](http://www.usgbc.org))--Certified (10 points), Silver (12 points), Gold (15 points), or Platinum (25 points);      Home Innovation's National Green Building StandardTM certification ***program*** (   [*www.homeinnovation.com/green*](http://www.homeinnovation.com/green))--Bronze (10 points), Silver (12 points), Gold (15 points), or Emerald (25 points); or      A State or local green building ***program***--2 points.     (B) Projects that will be managed by a property management company that are certified green property management companies will receive 5 points. Applicants must provide proof of certification. Certification may be achieved through one of the following ***programs***:      National Apartment Association, Credential for Green Property Management;   [*www.naahq.org/EDUCATION/DESIGNATIONPROGRAMS/OTHER/Pages/default.aspx;*](http://www.naahq.org/EDUCATION/DESIGNATIONPROGRAMS/OTHER/Pages/default.aspx;)      National Affordable Housing Management Association, Credential for Green Property Management;   [*www.nahma.org/content/greencred.html;*](http://www.nahma.org/content/greencred.html;) or      U.S Green Building Council, Green Building Certification Institute LEED AP (any discipline) or LEED Green Associate;   [*www.gbci.org*](http://www.gbci.org)     (C) Energy Generation (maximum 5 points). Responses for new construction or purchase and rehabilitation of non-***program*** multi-family projects which participate in the Energy Star for Homes V3 ***Program***, Green Communities, LEED for Homes, or Home Innovation's National Green Building StandardTM are eligible to earn additional points for installation of on-site renewable energy sources. In order to receive more than 1 point for this energy generation section, an accurate energy analysis prepared by an engineer will need to be submitted with the response. Energy analysis of preliminary building plans using industry-recognized simulation software must document the projected total energy consumption of the building, the portion of the building consumption which will be satisfied through on-site generation and the building's Home Energy Rating System (HERS) score.     Projects with an energy analysis of the preliminary or rehabilitation building plans that propose a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy) will be awarded points as follows:     (a) 0 to 9 percent commitment to energy generation receives 0 points;     (b) 10 to 29 percent commitment to energy generation receives 1 point;     (c) 30 to 49 percent commitment to energy generation receives 2 points;     (d) 50 to 69 percent commitment to energy generation receives 3 points;     (e) 70 to 89 percent commitment to energy generation receives 4 points;     (f) 90 percent or more commitment to energy generation receives 5 points.     Priority 8--Promise Zones/Persistent Poverty Areas:     Additional 10 points will be awarded to projects located in Promise Zones and/or Persistent Poverty Counties. A county is considered persistently poor if 20 percent or more of its population was living in poverty over the last 30 ***years*** (measured by the 1990, 2000, and 2010 decennial censuses and 2007-2011 American Community Survey 5-***year*** estimates), as determined by the Agency.     Notifications: Responses will be reviewed for completeness and eligibility. The Agency will notify those lenders whose responses are selected via a ``Notice to Proceed with Application Processing'' letter. The Agency will request lenders without GRRHP lender approval to apply for GRRHP lender approval within 30 days upon receipt of notification of selection.     Lenders will also be invited to submit a complete application to the USDA Rural Development State Office where the project is located.     Submission of GRRHP Applications: The Age

ncy will issue a ``Notice to Proceed with Application Processing'' (Notice to Proceed) to lenders whose responses have been selected. The Notice to Proceed instruct lenders to contact the USDA Rural Development State Office immediately following notification of selection to schedule required Agency reviews.     USDA Rural Development State Office staff will work with lenders in the

[[Page 60584]]

development of an application package. The deadline for the submission of a complete application is 90 ***calendar*** days from the date of notification of response selection. If the application is not received by the appropriate State Office within 90 ***calendar*** days from the date of notification, the selection is subject to cancellation, thereby allowing another response that is ready to proceed with processing to be selected. The Agency may extend this 90 day deadline for receipt of an application at its own discretion.

VI. Award Administration Information

    Obligation of ***Program*** Funds: The Agency will only obligate funds to projects that meet the requirements under 7 CFR part 3565 and this Notice, including having undergone a satisfactory environmental review in accordance with the National Environmental Protection Act (NEPA) and completed Form RD 3565-1, ``Application for Loan and Guarantee''.     The Agency will select the responses that meet eligibility criteria and invite lenders, via a Notice to Proceed, to submit complete applications to the Agency, as well as a request for GRRHP approved lender status if necessary. Once a complete application is received and approved (and any request for GRRHP approved lender status is granted), the Agency's State Office will submit a request to obligate funds to the Agency's National Office. Obligation requests submitted to the National Office will be accumulated and placed in a queue for funding based on the order by which the obligation request was received by the National Office. In the event that multiple obligation requests are received at the same time, first priority will be given to the request for the project that has the highest percentage of leveraging (lowest Loan to Cost). If there is still a tie, priority will be given to the project in the smaller rural community.     In the event there is insufficient funding for applications approved under this Notice, the Agency will fund applications based on priority score ranking described in Section V.     Conditional Commitment: Once the required documents for obligation are received and all applicable requirements have been met, including NEPA requirements, and to the extent funding is available, the USDA Rural Development State Office will issue a Conditional Commitment. The Conditional Commitment will stipulate the conditions that must be fulfilled before the issuance of a guarantee, in accordance with 7 CFR 3565.303     Issuance of Guarantee: The USDA Rural Development State Office will issue a guarantee to the lender for a project in accordance with 7 CFR 3565.303 No guarantee can be issued without a complete application, review of appropriate certifications, satisfactory assessment of the appropriate level of environmental review, and the completion of any conditional requirements.     Tracking of Average Rents: After the loan closes, the lender will track the initial affordable rent at each property funded under this Notice and the average market rent in the area. The difference between these two rents will provide the lender with a measure of the impact the GRRHP has on affordable rents.

Non-Discrimination Statement

    In accordance with Federal civil rights law and U.S Department of ***Agriculture*** (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, employees, and institutions participating in or administering USDA ***programs*** are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, familial/parental status, income derived from a public assistance ***program***, political beliefs, or reprisal or retaliation for prior civil rights activity, in any ***program*** or activity conducted or funded by USDA (not all bases apply to all ***programs***). Remedies and complaint filing deadlines vary by ***program*** or incident.     Persons with disabilities who require alternative means of communication for ***program*** information (e.g , Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, ***program*** information may be made available in languages other than English.     To file a ***program*** discrimination complaint, complete the USDA ***Program*** Discrimination Complaint Form, AD-3027, found online at [*http://www.ascr.usda.gov/complaint\_filing\_cust.html*](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992, submit your completed form or letter to USDA by:     Mail: U.S Department of ***Agriculture***, Director, Office of Adjudication, 1400 Independence Avenue SW, Washington, DC 20250-9410;     Fax: (202) 690-7442; or     Email: [***program****.intake@usda.gov*](mailto:program.intake@usda.gov)     USDA is an equal opportunity provider, employer, and lender.

    Dated: December 14, 2017. Richard A. Davis, Acting Administrator, Rural Housing Service. [FR Doc. 2017-27527 Filed 12-20-17; 8:45 am]  BILLING CODE 3410-XV-P

**Load-Date:** December 22, 2017

**End of Document**



[***Council of the European Union: Structural Reform Support Programme - COMMISSION IMPLEMENTING DECISION of 9.8.2018 on the adoption of the 2018 work programme for operational technical assistance managed by the Commission on the request of Bulgaria pursuant to Article 11 of Regulation (EU) 2017/825 of the European Parliament and the Council, serving as financing decision PDF document ST 13553 2018 ADD 126-10-2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RTH-M8J1-JDG9-Y108-00000-00&context=1516831)

Impact News Service

November 28, 2018 Wednesday

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**Length:** 966 words

**Body**

Brussels: Council of the European Union has issued the following document:

Council of the European Union Brussels, 26 October 2018 (OR. en) 13553/18 ADD 1 ECOFIN 976 UEM 334 FC 63 REGIO 104 AGRISTR 82 PECHE 430 CADREFIN 299 CODEC 1789 SOC 649 COVER NOTE From: Mr Valdis DOMBROVSKIS, Vice-President ot the European Commission date of receipt: 22 October 2018 To: Mr Hartwig LÖGER, Minister of Finance of Austria Subject: Structural Reform Support ***Programme*** - COMMISSION IMPLEMENTING DECISION of 9.8.2018 on the adoption of the 2018 work ***programme*** for operational technical assistance managed by the Commission on the request of Bulgaria pursuant to Article 11 of Regulation (EU) 2017/825 of the European Parliament and the Council, serving as financing decision Delegations will find attached the Structural Reform Support ***Programme*** on the Commission Implementing Decision of 9.8.2018 on the adoption of the 2018 work ***programme*** for operational technical assistance managed by the Commission on the request of Bulgaria. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ EUROPEAN COMMISSION Brussels, 9.8.2018 C(2018) 5435 final COMMISSION IMPLEMENTING DECISION of 9.8.2018 on the adoption of the 2018 work ***programme*** for operational technical assistance managed by the Commission on the request of Bulgaria pursuant to Article 11 of Regulation (EU) 2017/825 of the European Parliament and the Council, serving as financing decision EN EN EN 1 EN COMMISSION IMPLEMENTING DECISION of 9.8.2018 on the adoption of the 2018 work ***programme*** for operational technical assistance managed by the Commission on the request of Bulgaria pursuant to Article 11 of Regulation (EU) 2017/825 of the European Parliament and the Council, serving as financing decision THE EUROPEAN COMMISSION, Having regard to the Treaty on the Functioning of the European Union, Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/20121, and in particular Article 110(1) thereof, Having regard to Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support ***Programme*** for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/20132, and in particular Article 13(5) thereof, Having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European ***Agricultural*** Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/20063 and in particular Article 58(2) thereof, Whereas: (1) In order to ensure the implementation of actions to be financed from the resources ***transferred*** to the Commission by Bulgaria for the ***year*** 2018 in application of Article 25 of Regulation (EU) No 1303/2013, it is necessary to adopt an annual financing decision, which constitutes the annual work ***programme***, for 2018. Article 110 of the Financial Regulation establishes detailed rules on financing decisions.

(2) It is appropriate to authorise the award of grants without a call for proposals to international organisations as the specific characteristics of the actions foreseen under the work ***programme*** require a particular type of body on account of its technical competence and its high degree of specialisation. 1 OJ L 193, 30.7.2018, p. 1. 2 OJ L 129, 19.05.2017, p. 1. 3 OJ L 347, 20.12.2013, p. 320. EN 2 EN (3) It is necessary to allow for the ***payment*** of interest due for late ***payment*** on the basis of Article 116(5) of Regulation 2018/1046, HAS DECIDED AS FOLLOWS: Article 1 The work ***programme*** The annual financing decision, constituting the annual work ***programme*** for the implementation of the operational technical assistance to be financed from the resources ***transferred*** to the Commision by Bulgaria under the Structural Reform Support ***Programme*** for the ***year*** 2018, as set out in the Annex, is adopted. Article 2 Union contribution The maximum Union contribution for the implementation of the ***programme*** for 2018 is set at EUR 1 500 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union: budget line 04.02 63 02 European Social Fund - Operational technical assistance managed by the Commission at the request of a Member State : EUR 1 500 0004. The appropriations provided for in the first paragraph may also cover interest due for late ***payment***. Article 3 Flexibility clause Cumulated changes to the allocations to specific actions not exceeding 20% of the maximum contribution set in Article 2 of this Decision shall not be considered to be substantial within the meaning of Article 110(5) of the Financial Regulation, where those changes do not significantly affect the nature of the actions and the objective of the work ***programme***. The increase of the maximum contribution set in Article 2 of this Decision shall not exceed 20%. The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality. Article 4 Grants Grants may be awarded without a call for proposals to the bodies referred

**Load-Date:** November 29, 2018

**End of Document**



[***OPINION: Innovations in social protection***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TK0-FXR1-JDSH-2010-00000-00&context=1516831)

Asia News Network

October 25, 2018 Thursday

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**Length:** 1187 words

**Byline:** Alok Rajouria

**Body**

The third anniversary of the adoption of the Sustainable Development Goals (SDGs) by the member states of the United Nations reminds us that the SDG clock is ticking. The aspiration of Agenda 2030 of ‘leaving no one behind’ calls for an integrated strategic plan that includes social protection to cover population groups most difficult to reach. Often the hardest to reach and most at risk are people who are vulnerable due to factors such as extreme poverty, disability, old age and chronic illness, social and geographic exclusion, and frequent natural disasters. In addition, population groups that are disconnected from mainstream government services and underserved by the market represent potential targets of social protection schemes.Universal and residual social protection ***programmes*** that consist of periodic and predictable cash and in-kind assistance or incentives to low-income households and individuals can contribute significantly towards realising the aspiration of Agenda 2030. Smart and climate-responsive social protection can effectively close the current coverage gaps of anti-poverty interventions, build resilience to economic and climate-induced shocks, and facilitate better access to basic social services.

Social protection

Nepal has come a long way from the charity-based informal social welfare ***programmes*** that prevailed though the millennia toward establishing a systemic and institutionalised social protection at the national level. The current potpourri of ***programmes*** in social assistance, social services, social insurance and labour market interventions were instituted in succession over the ***years*** without a valid social protection framework in place. Some ***programmes*** were politically driven while others were based on sound social and economic justifications. They are, however, not yet climate responsive or shock-resilient. Coverage in some areas is dismal as a recent study commissioned by the United Nations International Children’s Emergency Fund (UNICEF) on access of children with disabilities to monthly cash allowance indicated that a majority of adults and children with disabilities do not hold any disability ID card, which is a prerequisite for receiving cash allowances.

As resource constrained developing countries continue to espouse social protection at both local and national levels, empirical studies support the notion that creatively designed ***programmes*** including cash ***transfers*** help families to graduate from extreme poverty and build livelihoods, thereby contributing to breaking the inter-generational cycle of poverty and deprivation. Such results should also enable poor families to better withstand climate-induced shocks.

The current set of social protection ***programmes***, irrespective of the net welfare effect, do not constitute a comprehensive social protection floor, which is one of the priorities of the SDGs. A scientifically designed safety net must be in place that guarantees the provision of and access to an essential level of goods and services to every Nepali. To make the floor shock resilient or climate responsive, population groups that are at risk of climate-induced hazards should be identified and pre-registered. Shock-responsive social protection policies and ***programmes*** should note that out-migration of young men from their villages for employment has decreased the capacity of those left behind—the elderly, women and children—to respond to climate-induced disasters.

Social protection, inherently socio-economic context specific, lends opportunities for innovations and adjustments to suit the needs of different communities. Proven innovative models in developing and emerging economies that address issues in various sectors through social protection are available for Nepal to draw upon.

According to a report of the International Labour Organisation (ILO), Brazil and China provide cash ***payments*** to people in relation to forest conservation and ecological performance as part of the government’s anti-deforestation measures. This initiative can be extended to other natural resources such as water management. Cash and in-kind incentives along with the promotion of activities such as the practice of water safety principles, institutional and technical capacity development of users’ committees to undertake technical repairs, and financial management may improve the functionality of community water systems.

Conditional cash ***transfer*** (CCT) ***programmes*** include conditions for cash assistance that the beneficiary households make agreed investments in areas like education of their children, health and nutrition, prenatal care for mothers, or delayed marriage of adolescent girls. Innovatively designed CCTs can have a significant impact on reducing poverty and vulnerability. The Oportunidades ***programme*** in Mexico, designed to target poverty by providing cash ***payments*** to families in exchange for regular school attendance, health clinic visits and nutrition support, benefits more than 5 million families. It is credited for the reduction in poverty and improved health and education in the geographic areas it covers. Similarly, Bolsa Família of Brazil and ***Program*** Keluarga Harapan of Indonesia both provide low-income households with cash upon conditions that children attend school and are vaccinated.

With the increasing need to adapt to climate extremes and disasters, social protection mechanisms need to address emerging climate-induced vulnerabilities, thereby helping families and communities to become resilient. In Ethiopia, the Productive Safety Nets ***Programme*** offers a top-up ***payment*** in anticipation of droughts or floods using the Livelihoods, Early Assessment and Protection (LEAP) system that assesses agro-meteorological data to estimate crop yields and the financial resources required to scale up the productive safety net in case of a drought.

Local circumstances

Innovations in social protection may not be limited to models that are successful elsewhere. Nepal can devise its own pilot ***programmes*** to respond to local circumstances, such as the one resulting from out-migration, based on the specific needs of the people, the available resources and innovative ideas. For instance, microfinance and its variations can be recognised and used as a component of social protection by themselves, or in combination with other welfare ***programmes***. Likewise, the use of new technologies can improve the targeting mechanism and delivery system to ensure more efficient outcomes. New telecommunication technologies can facilitate real-time monitoring of ***programmes*** for greater control and constant improvement.

As Nepal’s social protection system consolidates and grows, the government should note that the system can embody boundless innovative solutions. The realm of social protection should be extended to address social issues in sectors such as ***agriculture*** and natural resource management, thereby covering groups left behind, contributing substantially to realising the SDG commitment of leaving no one behind.

*Rajouria is a researcher at the International Water Management Institute.*

**Source:** The Kathmandu Post (Nepal)

**Load-Date:** October 25, 2018

**End of Document**



[***CONFERENCE REPORT ON H.R 6157, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2019 (House of Representatives - September 13, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S9B-DR61-F0YC-N3R0-00000-00&context=1516831)

Impact News Service

September 14, 2018 Friday

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**Length:** 91326 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. FRELINGHUYSEN submitted the following conference report and statement on the bill (H.R 6157) making appropriations for the Department of Defense for the fiscal ***year*** ending September 30, 2019, and for other purposes. Conference Report (H. Rept. 115-952) The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R      6157), making appropriations for the Department of Defense for the fiscal ***year*** ending September 30, 2019, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019''. SEC. 2. TABLE OF CONTENTS. The table of contents of this Act is as follows: [[Page H8259]] Sec.

1. Short title. Sec. 2. Table of contents. Sec. 3. References. Sec. 4. Statement of appropriations. DIVISION A--DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2019 Title I--Military Personnel Title II--Operation and Maintenance Title III--Procurement Title IV--Research, Development, Test and Evaluation Title V--Revolving and Management Funds Title VI--Other Department of Defense ***Programs*** Title VII--Related Agencies Title VIII--General Provisions Title IX--Overseas Contingency Operations DIVISION B--DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 Title I--Department of Labor Title II--Department of Health and Human Services Title III--Department of Education Title IV--Related Agencies Title V--General Provisions DIVISION C--CONTINUING APPROPRIATIONS ACT, 2019 SEC. 3. REFERENCES. Except as expressly provided otherwise, any reference to ``this Act'' contained in any division of this Act shall be treated as referring only to the provisions of that division. SEC. 4. STATEMENT OF APPROPRIATIONS. The following sums in this Act are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal ***year*** ending September 30, 2019. DIVISION A--DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2019 TITLE I MILITARY PERSONNEL Military Personnel, Army For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $42,690,042,000. Military Personnel, Navy For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $30,164,481,000. Military Personnel, Marine Corps For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $13,779,038,000. Military Personnel, Air Force For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $30,074,691,000. Reserve Personnel, Army For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $4,836,947,000. Reserve Personnel, Navy For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $2,049,021,000. Reserve Personnel, Marine Corps For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $782,390,000. Reserve Personnel, Air Force For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $1,860,406,000. National Guard Personnel, Army For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $8,600,945,000. National Guard Personnel, Air Force For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $3,699,080,000. TITLE II OPERATION AND MAINTENANCE Operation and Maintenance, Army For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law, $40,145,482,000: Provided, That not to exceed $12,478,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Navy For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law, $48,034,826,000: Provided, That not to exceed $15,055,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Marine Corps For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, $6,540,049,000. Operation and Maintenance, Air Force For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law, $40,379,184,000: Provided, That not to exceed $7,699,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Defense-Wide (including ***transfer*** of funds) For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, $35,613,354,000: Provided, That not more than $7,503,000 may be used for the Combatant Commander Initiative Fund authorized under section 166a of title 10, United States Code: Provided further, That not to exceed $36,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and ***payments*** may be made on his certificate of necessity for confidential military purposes: Provided further, That of the funds provided under this heading, not less than $42,300,000 shall be made available for the Procurement Technical Assistance Cooperative [[Page H8260]] Agreement ***Program***, of which not less than $4,500,000 shall be available for centers defined in 10 U.S.C 2411(1)(D): Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: Provided further, That $19,160,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be ***transferred*** as necessary by the Secretary of Defense to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which ***transferred***: Provided further, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: Provided further, That of the funds provided under this heading, $663,969,000, of which $165,992,000, to remain available until September 30, 2020, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation ***programs***: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Operation and Maintenance, Army Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $2,781,402,000. Operation and Maintenance, Navy Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $1,018,006,000. Operation and Maintenance, Marine Corps Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $271,570,000. Operation and Maintenance, Air Force Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $3,191,734,000. Operation and Maintenance, Army National Guard For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), $7,118,831,000. Operation and Maintenance, Air National Guard For expenses of training, organizing, and administering the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; transportation of things, hire of passenger motor vehicles; supplying and equipping the Air National Guard, as authorized by law; expenses for repair, modification, maintenance, and issue of supplies and equipment, including those furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, $6,420,697,000. United States Court of Appeals for the Armed Forces For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, $14,662,000, of which not to exceed $5,000 may be used for official representation purposes. Environmental Restoration, Army (including ***transfer*** of funds) For the Department of the Army, $235,809,000, to remain available until ***transferred***: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Navy (including ***transfer*** of funds) For the Department of the Navy, $365,883,000, to remain available until ***transferred***: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Air Force (including ***transfer*** of funds) For the Department of the Air Force, $365,808,000, to remain available until ***transferred***: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Defense-Wide (including ***transfer*** of funds) For the Department of Defense, $19,002,000, to remain available until ***transferred***: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Formerly Used Defense Sites (including ***transfer*** of funds) For the Department of the Army, $248,673,000, to remain available until ***transferred***: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Overseas Humanitarian, Disaster, and Civic Aid For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid ***programs*** of the Department of Defense (consisting of the ***programs*** provided under sections 401, 402, 404, 407, 2557, and 2561 of title 10, United States Code), $117,663,000, to remain available until September 30, 2020. Cooperative Threat Reduction Account For assistance, including assistance provided by contract or by grants, under ***programs*** and [[Page H8261]] activities of the Department of Defense Cooperative Threat Reduction ***Program*** authorized under the Department of Defense Cooperative Threat Reduction Act, $350,240,000, to remain available until September 30, 2021. Department of Defense Acquisition Workforce Development Fund For the Department of Defense Acquisition Workforce Development Fund, $450,000,000, to remain available for obligation until September 30, 2020: Provided, That no other amounts may be otherwise credited or ***transferred*** to the Fund, or deposited into the Fund, in fiscal ***year*** 2019 pursuant to section 1705(d) of title 10, United States Code. TITLE III PROCUREMENT Aircraft Procurement, Army For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $4,299,566,000, to remain available for obligation until September 30, 2021. Missile Procurement, Army For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $3,145,256,000, to remain available for obligation until September 30, 2021. Procurement of Weapons and Tracked Combat Vehicles, Army For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor- owned equipment layaway; and other expenses necessary for the foregoing purposes, $4,486,402,000, to remain available for obligation until September 30, 2021. Procurement of Ammunition, Army For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $2,276,330,000, to remain available for obligation until September 30, 2021. Other Procurement, Army For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $7,844,691,000, to remain available for obligation until September 30, 2021. Aircraft Procurement, Navy For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor- owned equipment layaway, $20,092,199,000, to remain available for obligation until September 30, 2021. Weapons Procurement, Navy For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $3,711,576,000, to remain available for obligation until September 30, 2021. Procurement of Ammunition, Navy and Marine Corps For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $952,682,000, to remain available for obligation until September 30, 2021. Shipbuilding and Conversion, Navy For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long lead time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows: Ohio Replacement Submarine (AP), $3,173,400,000; Carrier Replacement ***Program*** (CVN-80), $1,573,181,000; Virginia Class Submarine, $4,340,676,000; Virginia Class Submarine (AP), $2,796,401,000; CVN Refueling Overhauls (AP), $425,873,000; DDG-1000 ***Program***, $270,965,000; DDG-51 Destroyer, $5,249,837,000; DDG-51 Destroyer (AP), $641,928,000; Littoral Combat Ship, $1,571,244,000; LPD-17, $350,000,000; Expeditionary Sea Base, $647,000,000; LHA Replacement (AP), $350,000,000; Expeditionary Fast Transport, $225,000,000; TAO Fleet Oiler, $977,104,000; TAO Fleet Oiler (AP), $75,046,000; Towing Salvage and Rescue Ship, $80,517,000; LCU 1700, $41,520,000; Ship to Shore Connector, $507,875,000; Service Craft, $72,062,000; LCAC SLEP, $23,321,000; For outfitting, post delivery, conversions, and first destination transportation, $550,038,000; and Completion of Prior ***Year*** Shipbuilding ***Programs***, $207,099,000. In all: $24,150,087,000, to remain available for obligation until September 30, 2023: Provided, That additional obligations may be incurred after September 30, 2023, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards: Provided further, That funds appropriated or otherwise made available by this Act for production of the common missile compartment of nuclear- powered vessels may be available for multiyear procurement of critical components to support continuous production of such compartments only in accordance with the provisions of subsection (i) of section 2218a of title 10, United States Code (as added by section 1023 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328)): Provided further, That the funds made available by this Act for the Carrier Replacement ***Program*** (CVN-80) may be available to modify or enter into a new contract for the procurement of a Ford-class aircraft carrier designated CVN-81 pursuant to section 121 of the John S. McCain National Defense Authorization Act for Fiscal ***Year*** 2019. Other Procurement, Navy For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of passenger motor vehicles for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $9,097,138,000, to remain available for obligation until September 30, 2021. Procurement, Marine Corps For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and [[Page H8262]] accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, $2,719,870,000, to remain available for obligation until September 30, 2021. Aircraft Procurement, Air Force For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $17,112,337,000, to remain available for obligation until September 30, 2021. Missile Procurement, Air Force For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $2,585,004,000, to remain available for obligation until September 30, 2021. Space Procurement, Air Force For construction, procurement, and modification of spacecraft, rockets, and related equipment, including spare parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $2,343,642,000, to remain available for obligation until September 30, 2021. Procurement of Ammunition, Air Force For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,485,856,000, to remain available for obligation until September 30, 2021. Other Procurement, Air Force For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $20,884,225,000, to remain available for obligation until September 30, 2021. Procurement, Defense-Wide For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $6,822,180,000, to remain available for obligation until September 30, 2021. National Guard and Reserve Equipment Account For procurement of rotary-wing aircraft; combat, tactical and support vehicles; other weapons; and other procurement items for the reserve components of the Armed Forces, $1,300,000,000, to remain available for obligation until September 30, 2021: Provided, That the Chiefs of National Guard and Reserve components shall, not later than 30 days after enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective National Guard or Reserve component: Provided further, That none of the funds made available by this paragraph may be used to procure manned fixed wing aircraft, or procure or modify missiles, munitions, or ammunition. Defense Production Act Purchases For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C 4518, 4531, 4532, and 4533), $53,578,000, to remain available until expended. TITLE IV RESEARCH, DEVELOPMENT, TEST AND EVALUATION Research, Development, Test and Evaluation, Army For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $11,083,824,000, to remain available for obligation until September 30, 2020. Research, Development, Test and Evaluation, Navy For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $18,510,564,000, to remain available for obligation until September 30, 2020: Provided, That funds appropriated in this paragraph which are available for the V-22 may be used to meet unique operational requirements of the Special Operations Forces. Research, Development, Test and Evaluation, Air Force For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $41,229,475,000, to remain available for obligation until September 30, 2020. Research, Development, Test and Evaluation, Defense-Wide (including ***transfer*** of funds) For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, $23,691,836,000, to remain available for obligation until September 30, 2020: Provided, That, of the funds made available in this paragraph, $250,000,000 for the Defense Rapid Innovation ***Program*** shall only be available for expenses, not otherwise provided for, to include ***program*** management and oversight, to conduct research, development, test and evaluation to include proof of concept demonstration; engineering, testing, and validation; and transition to full-scale production: Provided further, That the Secretary of Defense may ***transfer*** funds provided herein for the Defense Rapid Innovation ***Program*** to appropriations for research, development, test and evaluation to accomplish the purpose provided herein: Provided further, That this ***transfer*** authority is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That the Secretary of Defense shall, not fewer than 30 days prior to making ***transfers*** from this appropriation, notify the congressional defense committees in writing of the details of any such ***transfer***. Operational Test and Evaluation, Defense For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith, $381,009,000, to remain available for obligation until September 30, 2020. TITLE V REVOLVING AND MANAGEMENT FUNDS Defense Working Capital Funds For the Defense Working Capital Funds, $1,641,115,000. TITLE VI OTHER DEPARTMENT OF DEFENSE ***PROGRAMS*** Defense Health ***Program*** For expenses, not otherwise provided for, for medical and health care ***programs*** of the Department of Defense as authorized by law, $34,007,519,000; of which $30,953,422,000 shall be for operation and maintenance, of which not to exceed one percent shall remain available for obligation until September 30, 2020, and of which up to $15,118,801,000 may be available for contracts entered into under the TRICARE ***program***; of which $873,160,000, to remain available for obligation until September 30, 2021, shall be for procurement; and of which $2,180,937,000, to remain available for obligation until September 30, 2020, shall be for research, development, test and evaluation: Provided, That, notwithstanding any other provision of law, of the amount made available under this heading for research, development, test and evaluation, not less than $8,000,000 shall be available for HIV prevention educational activities undertaken in [[Page H8263]] connection with United States military training, exercises, and humanitarian assistance activities conducted primarily in African nations: Provided further, That of the funds provided under this heading for research, development, test and evaluation, not less than $1,171,100,000 shall be made available to the United States Army Medical Research and Materiel Command to carry out the congressionally directed medical research ***programs***. Chemical Agents and Munitions Destruction, Defense For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $993,816,000, of which $105,997,000 shall be for operation and maintenance, of which no less than $52,735,000 shall be for the Chemical Stockpile Emergency Preparedness ***Program***, consisting of $21,600,000 for activities on military installations and $31,135,000, to remain available until September 30, 2020, to assist State and local governments; $1,091,000 shall be for procurement, to remain available until September 30, 2021, of which $1,091,000 shall be for the Chemical Stockpile Emergency Preparedness ***Program*** to assist State and local governments; and $886,728,000, to remain available until September 30, 2020, shall be for research, development, test and evaluation, of which $880,283,000 shall only be for the Assembled Chemical Weapons Alternatives ***program***. Drug Interdiction and Counter-Drug Activities, Defense (including ***transfer*** of funds) For drug interdiction and counter-drug activities of the Department of Defense, for ***transfer*** to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for operation and maintenance; for procurement; and for research, development, test and evaluation, $881,525,000, of which $517,171,000 shall be for counter-narcotics support; $121,900,000 shall be for the drug demand reduction ***program***; $217,178,000 shall be for the National Guard counter-drug ***program***; and $25,276,000 shall be for the National Guard counter-drug schools ***program***: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority contained elsewhere in this Act. Office of the Inspector General For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $329,273,000, of which $325,236,000 shall be for operation and maintenance, of which not to exceed $700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and ***payments*** may be made on the Inspector General's certificate of necessity for confidential military purposes; of which $60,000, to remain available for obligation until September 30, 2021, shall be for procurement; and of which $3,977,000, to remain available until September 30, 2020, shall be for research, development, test and evaluation. TITLE VII RELATED AGENCIES Central Intelligence Agency Retirement and Disability System Fund For ***payment*** to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, $514,000,000. Intelligence Community Management Account For necessary expenses of the Intelligence Community Management Account, $522,424,000. TITLE VIII GENERAL PROVISIONS Sec. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress. Sec. 8002. During the current fiscal ***year***, provisions of law prohibiting the ***payment*** of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey. Sec. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal ***year***, unless expressly so provided herein. Sec. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal ***year*** shall be obligated during the last 2 months of the fiscal ***year***: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps. (***transfer*** of funds) Sec. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, ***transfer*** not to exceed $4,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which ***transferred***: Provided, That such authority to ***transfer*** may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all ***transfers*** made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2019: Provided further, That ***transfers*** among military personnel appropriations shall not be taken into account for purposes of the limitation on the amount of funds that may be ***transferred*** under this section. Sec. 8006. (a) With regard to the list of specific ***programs***, projects, and activities (and the dollar amounts and adjustments to budget activities corresponding to such ***programs***, projects, and activities) contained in the tables titled Explanation of Project Level Adjustments in the explanatory statement regarding this Act, the obligation and expenditure of amounts appropriated or otherwise made available in this Act for those ***programs***, projects, and activities for which the amounts appropriated exceed the amounts requested are hereby required by law to be carried out in the manner provided by such tables to the same extent as if the tables were included in the text of this Act. (b) Amounts specified in the referenced tables described in subsection (a) shall not be treated as subdivisions of appropriations for purposes of section 8005 of this Act: Provided, That section 8005 shall apply when ***transfers*** of the amounts described in subsection (a) occur between appropriation accounts. Sec. 8007. (a) Not later than 60 days after enactment of this Act, the Department of Defense shall submit a report to the congressional defense committees to establish the baseline for application of reprogramming and ***transfer*** authorities for fiscal ***year*** 2019: Provided, That the report shall include-- (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal ***year*** enacted level; (2) a delineation in the table for each appropriation both by budget activity and ***program***, project, and activity as detailed in the Budget Appendix; and (3) an identification of items of special congressional interest. (b) Notwithstanding section 8005 of this Act, none of the funds provided in this Act shall be available for reprogramming or ***transfer*** until the report identified in subsection (a) is submitted to the congressional defense committees, unless the Secretary of Defense certifies in writing to the congressional defense committees that such reprogramming or ***transfer*** is necessary as an emergency requirement: Provided, That this subsection shall not apply to ***transfers*** from the following appropriations accounts: (1) ``Environmental Restoration, Army''; (2) ``Environmental Restoration, Navy''; (3) ``Environmental Restoration, Air Force''; (4) ``Environmental Restoration, Defense-Wide''; (5) ``Environmental Restoration, Formerly Used Defense Sites''; and (6) ``Drug Interdiction and Counter-drug Activities, Defense''. (***transfer*** of funds) Sec. 8008. During the current fiscal ***year***, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That ***transfers*** may be made between such funds: Provided further, That ***transfers*** may be made between working capital funds and the ``Foreign Currency Fluctuations, Defense'' appropriation and the ``Operation and Maintenance'' appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except [[Page H8264]] that such ***transfers*** may not be made unless the Secretary of Defense has notified the Congress of the proposed ***transfer***: Provided further, That except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation. Sec. 8009. Funds appropriated by this Act may not be used to initiate a special access ***program*** without prior notification 30 ***calendar*** days in advance to the congressional defense committees. Sec. 8010. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one ***year*** of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one ***year***, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 30- day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement: Provided further, That none of the funds provided in this Act may be used for a multiyear contract executed after the date of the enactment of this Act unless in the case of any such contract-- (1) the Secretary of Defense has submitted to Congress a budget request for full funding of units to be procured through the contract and, in the case of a contract for procurement of aircraft, that includes, for any aircraft unit to be procured through the contract for which procurement funds are requested in that budget request for production beyond advance procurement activities in the fiscal ***year*** covered by the budget, full funding of procurement of such unit in that fiscal ***year***; (2) cancellation provisions in the contract do not include consideration of recurring manufacturing costs of the contractor associated with the production of unfunded units to be delivered under the contract; (3) the contract provides that ***payments*** to the contractor under the contract shall not be made in advance of incurred costs on funded units; and (4) the contract does not provide for a price adjustment based on a failure to award a follow-on contract. Funds appropriated in title III of this Act may be used for multiyear procurement contracts for any or all of the following projects: (1) Standard Missile-3 IB; (2) Standard Missile-6; (3) F/A-18E/F Super Hornet and EA-18G Aircraft variants; (4) E-2D Advanced Hawkeye (AHE) Aircraft; (5) C-130J, KC-130J, HC-130J, MC-130J, AC-130J Aircraft; and (6) SSN Virginia Class Submarines and Government-furnished equipment. Sec. 8011. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported as required by section 401(d) of title 10, United States Code: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education ***programs*** conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam. Sec. 8012. (a) During the current fiscal ***year***, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal ***year*** shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal ***year***. (b) The fiscal ***year*** 2020 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal ***year*** 2020 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal ***year*** 2020. (c) As required by section 1107 of the National Defense Authorization Act for Fiscal ***Year*** 2014 (Public Law 113-66; 10 U.S.C 2358 note) civilian personnel at the Department of Army Science and Technology Reinvention Laboratories may not be managed on the basis of the Table of Distribution and Allowances, and the management of the workforce strength shall be done in a manner consistent with the budget available with respect to such Laboratories. (d) Nothing in this section shall be construed to apply to military (civilian) technicians. Sec. 8013. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress. Sec. 8014. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this section shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this section applies only to active components of the Army. (***transfer*** of funds) Sec. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege ***Program*** may be ***transferred*** to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege ***Program*** developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal ***Year*** 1991 (Public Law 101-510; 10 U.S.C 2302 note), as amended, under the authority of this provision or any other ***transfer*** authority contained in this Act. Sec. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section, the term ``manufactured'' shall include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes. Sec. 8017. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: Provided, That, in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: Provided further, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: Provided further, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered. Sec. 8018. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols, or to demilitarize or destroy small arms ammunition or ammunition components that are not otherwise prohibited from commercial sale under Federal law, unless the small arms ammunition or ammunition components are certified by the Secretary of the Army or designee as unserviceable or unsafe for further use. Sec. 8019. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal ***year*** for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by- case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government. Sec. 8020. Of the funds made available in this Act, $25,000,000 shall be available for incentive ***payments*** authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C 1544): Provided, That a prime contractor or a subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in section 1544 of title 25, United States [[Page H8265]] Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code, shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C 1544) whenever the prime contract or subcontract amount is over $500,000 and involves the expenditure of funds appropriated by an Act making appropriations for the Department of Defense with respect to any fiscal ***year***: Provided further, That notwithstanding section 1906 of title 41, United States Code, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part, by any subcontractor or supplier defined in section 1544 of title 25, United States Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code. Sec. 8021. Funds appropriated by this Act for the Defense Media Activity shall not be used for any national or international political or psychological activities. Sec. 8022. During the current fiscal ***year***, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations. Sec. 8023. (a) Of the funds made available in this Act, not less than $46,100,000 shall be available for the Civil Air Patrol Corporation, of which-- (1) $33,600,000 shall be available from ``Operation and Maintenance, Air Force'' to support Civil Air Patrol Corporation operation and maintenance, readiness, counter- drug activities, and drug demand reduction activities involving youth ***programs***; (2) $10,800,000 shall be available from ``Aircraft Procurement, Air Force''; and (3) $1,700,000 shall be available from ``Other Procurement, Air Force'' for vehicle procurement. (b) The Secretary of the Air Force should waive reimbursement for any funds used by the Civil Air Patrol for counter-drug activities in support of Federal, State, and local government agencies. Sec. 8024. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities. (b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal ***year***: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties. (c) Notwithstanding any other provision of law, none of the funds available to the department from any source during the current fiscal ***year*** may be used by a defense FFRDC, through a fee or other ***payment*** mechanism, for construction of new buildings not located on a military installation, for ***payment*** of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development. (d) Notwithstanding any other provision of law, of the funds available to the department during fiscal ***year*** 2019, not more than 6,030 staff ***years*** of technical effort (staff ***years***) may be funded for defense FFRDCs: Provided, That, of the specific amount referred to previously in this subsection, not more than 1,125 staff ***years*** may be funded for the defense studies and analysis FFRDCs: Provided further, That this subsection shall not apply to staff ***years*** funded in the National Intelligence ***Program*** (NIP) and the Military Intelligence ***Program*** (MIP). (e) The Secretary of Defense shall, with the submission of the department's fiscal ***year*** 2020 budget request, submit a report presenting the specific amounts of staff ***years*** of technical effort to be allocated for each defense FFRDC during that fiscal ***year*** and the associated budget estimates. (f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by $179,000,000: Provided, That this subsection shall not apply to appropriations for the National Intelligence ***Program*** (NIP) and the Military Intelligence ***Program*** (MIP). Sec. 8025. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy, or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act. Sec. 8026. For the purposes of this Act, the term ``congressional defense committees'' means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives. Sec. 8027. During the current fiscal ***year***, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or Defense Agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section. Sec. 8028. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country. (2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country. (b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal ***year*** 2019. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C 2501 et seq.), or any international agreement to which the United States is a party. (c) For purposes of this section, the term ``Buy American Act'' means chapter 83 of title 41, United States Code. Sec. 8029. During the current fiscal ***year***, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101-510; 10 U.S.C 2687 note) shall be available until expended for the ***payments*** specified by section 2921(c)(2) of that Act. Sec. 8030. (a) Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of Nevada, Idaho, North Dakota, South Dakota, Montana, Oregon, Minnesota, and Washington relocatable military housing units located at Grand Forks Air Force Base, Malmstrom Air Force Base, Mountain Home Air Force Base, Ellsworth Air Force Base, and Minot Air Force Base that are excess to the needs of the Air Force. (b) The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield ***Program*** on behalf of Indian tribes located in the States of Nevada, Idaho, North Dakota, South Dakota, Montana, Oregon, Minnesota, and Washington. Any such conveyance shall be subject to the condition that the housing units shall be removed within a reasonable period of time, as determined by the Secretary. (c) The Operation Walking Shield ***Program*** shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b). (d) In this section, the term ``Indian tribe'' means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103-454; 108 Stat. 4792; 25 U.S.C 5131). Sec. 8031. During the current fiscal ***year***, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $250,000. Sec. 8032. None of the funds made available by this Act may be used to-- (1) disestablish, or prepare to disestablish, a Senior Reserve Officers' Training Corps ***program*** in accordance with Department of Defense Instruction Number 1215.08, dated June 26, 2006; or (2) close, downgrade from host to extension center, or place on probation a Senior Reserve Officers' Training Corps ***program*** in accordance with the information paper of the Department of the Army titled ``Army Senior Reserve Officer's Training Corps (SROTC) ***Program*** Review and Criteria'', dated January 27, 2014. Sec. 8033. Up to $10,518,000 of the funds appropriated under the heading ``Operation and [[Page H8266]] Maintenance, Navy'' may be made available for the Asia Pacific Regional Initiative ***Program*** for the purpose of enabling the Pacific Command to execute Theater Security Cooperation activities such as humanitarian assistance, and ***payment*** of incremental and personnel costs of training and exercising with foreign security forces: Provided, That funds made available for this purpose may be used, notwithstanding any other funding authorities for humanitarian assistance, security assistance or combined exercise expenses: Provided further, That funds may not be obligated to provide assistance to any foreign country that is otherwise prohibited from receiving such type of assistance under any other provision of law. Sec. 8034. The Secretary of Defense shall issue regulations to prohibit the sale of any tobacco or tobacco- related products in military resale outlets in the United States, its territories and possessions at a price below the most competitive price in the local community: Provided, That such regulations shall direct that the prices of tobacco or tobacco-related products in overseas military retail outlets shall be within the range of prices established for military retail system stores located in the United States. Sec. 8035. (a) During the current fiscal ***year***, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal ***year*** or a subsequent fiscal ***year*** to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal ***year*** 1994 and if the purchase of such an investment item would be chargeable during the current fiscal ***year*** to appropriations made to the Department of Defense for procurement. (b) The fiscal ***year*** 2020 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal ***year*** 2020 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal ***year*** 2020 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds. Sec. 8036. None of the funds appropriated by this Act for ***programs*** of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal ***year***, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2020: Provided, That funds appropriated, ***transferred***, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal ***year*** shall remain available until expended: Provided further, That any funds appropriated or ***transferred*** to the Central Intelligence Agency for advanced research and development acquisition, for agent operations, and for covert action ***programs*** authorized by the President under section 503 of the National Security Act of 1947 (50 U.S.C 3093) shall remain available until September 30, 2020. Sec. 8037. Of the funds appropriated to the Department of Defense under the heading ``Operation and Maintenance, Defense-Wide'', not less than $12,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities. Sec. 8038. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term ``Buy American Act'' means chapter 83 of title 41, United States Code. (b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a ``Made in America'' inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense. (c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality competitive, and available in a timely fashion. Sec. 8039. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used-- (1) to establish a field operating agency; or (2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is ***transferred*** or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters. (b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and the Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department. (c) This section does not apply to-- (1) field operating agencies funded within the National Intelligence ***Program***; (2) an Army field operating agency established to eliminate, mitigate, or counter the effects of improvised explosive devices, and, as determined by the Secretary of the Army, other similar threats; (3) an Army field operating agency established to improve the effectiveness and efficiencies of biometric activities and to integrate common biometric technologies throughout the Department of Defense; or (4) an Air Force field operating agency established to administer the Air Force Mortuary Affairs ***Program*** and Mortuary Operations for the Department of Defense and authorized Federal entities. Sec. 8040. (a) None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by Department of Defense civilian employees unless-- (1) the conversion is based on the result of a public- private competition that includes a most efficient and cost effective organization plan developed by such activity or function; (2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of-- (A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or (B) $10,000,000; and (3) the contractor does not receive an advantage for a proposal that would reduce costs for the Department of Defense by-- (A) not making an employer-sponsored health insurance plan available to the workers who are to be employed in the performance of that activity or function under the contract; or (B) offering to such workers an employer-sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than the amount that is paid by the Department of Defense for health benefits for civilian employees under chapter 89 of title 5, United States Code. (b)(1) The Department of Defense, without regard to subsection (a) of this section or subsection (a), (b), or (c) of section 2461 of title 10, United States Code, and notwithstanding any administrative regulation, requirement, or policy to the contrary shall have full authority to enter into a contract for the performance of any commercial or industrial type function of the Department of Defense that-- (A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (section 8503 of title 41, United States Code); (B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (C) is planned to be converted to performance by a qualified firm under at least 51 percent ownership by an Indian tribe, as defined in section 4(e) of the Indian Self- Determination and Education Assistance Act (25 U.S.C 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C 637(a)(15)). (2) This section shall not apply to depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code. (c) The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities. (rescissions) Sec. 8041. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and ***programs*** in the specified amounts: Provided, That no amounts may be rescinded from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: ``Shipbuilding and Conversion, Navy: DDG-51 Destroyer'', 2011/2020, $94,000,000; ``Shipbuilding and Conversion, Navy: CVN RCOH (AP)'', 2011/ 2020, $4,000,000; ``Shipbuilding and Conversion, Navy: DDG-51 Destroyer'', 2012/2020, $66,000,000; ``Shipbuilding and Conversion, Navy: LPD-17'', 2012/2020, $13,000,000; ``Shipbuilding and Conversion, Navy: Joint High Speed Vessel'', 2012/2020, $8,000,000; ``Aircraft Procurement, Army'', 2017/2019, $16,000,000; ``Aircraft Procurement, Navy'', 2017/2019, $38,894,000; ``Other Procurement, Navy'', 2017/2019, $32,344,000; ``Aircraft Procurement, Air Force'', 2017/2019, $169,677,000; ``Space Procurement, Air Force'', 2017/2019, $5,000,000; ``Other Procurement, Air Force'', 2017/2019, $44,300,000; ``Defense Health ***Program***: Procurement'', 2017/2019, $2,413,000; ``Missile Procurement, Army'', 2018/2020, $80,000,000; [[Page H8267]] ``Procurement of Weapons and Tracked Combat Vehicles, Army'', 2018/2020, $210,506,000; ``Other Procurement, Army'', 2018/2020, $64,390,000; ``Aircraft Procurement, Navy'', 2018/2020, $26,361,000; ``Weapons Procurement, Navy'', 2018/2020, $115,657,000; ``Other Procurement, Navy'', 2018/2020, $36,600,000; ``Aircraft Procurement, Air Force'', 2018/2020, $195,255,000; ``Missile Procurement, Air Force'', 2018/2020, $5,200,000; ``Space Procurement, Air Force'', 2018/2020, $218,100,000; ``Procurement of Ammunition, Air Force'', 2018/2020, $17,100,000; ``Other Procurement, Air Force'', 2018/2020, $123,500,000; ``Research, Development, Test and Evaluation, Army'', 2018/ 2019, $191,120,000; ``Research, Development, Test and Evaluation, Air Force'', 2018/2019, $490,588,000; ``Research, Development, Test and Evaluation, Defense- Wide'', 2018/2019, $25,000,000; and ``Defense Health ***Program***: Procurement'', 2018/2020, $215,000,000. Sec. 8042. None of the funds available in this Act may be used to reduce the authorized positions for military technicians (dual status) of the Army National Guard, Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military technicians (dual status), unless such reductions are a direct result of a reduction in military force structure. Sec. 8043. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of Korea unless specifically appropriated for that purpose. Sec. 8044. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and ***programs*** included within the National Intelligence ***Program*** and the Military Intelligence ***Program***: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures. Sec. 8045. (a) None of the funds available to the Department of Defense for any fiscal ***year*** for drug interdiction or counter-drug activities may be ***transferred*** to any other department or agency of the United States except as specifically provided in an appropriations law. (b) None of the funds available to the Central Intelligence Agency for any fiscal ***year*** for drug interdiction or counter- drug activities may be ***transferred*** to any other department or agency of the United States except as specifically provided in an appropriations law. Sec. 8046. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That this restriction shall not apply to the purchase of ``commercial items'', as defined by section 103 of title 41, United States Code, except that the restriction shall apply to ball or roller bearings purchased as end items. Sec. 8047. Of the amounts appropriated for ``Working Capital Fund, Army'', $99,000,000 shall be available to maintain competitive rates at the arsenals. Sec. 8048. In addition to the amounts appropriated or otherwise made available elsewhere in this Act, $44,000,000 is hereby appropriated to the Department of Defense: Provided, That upon the determination of the Secretary of Defense that it shall serve the national interest, the Secretary shall make grants in the amounts specified as follows: $20,000,000 to the United Service Organizations and $24,000,000 to the Red Cross. Sec. 8049. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers. Sec. 8050. Notwithstanding any other provision in this Act, the Small Business Innovation Research ***program*** and the Small Business Technology ***Transfer*** ***program*** set-asides shall be taken proportionally from all ***programs***, projects, or activities to the extent they contribute to the extramural budget. Sec. 8051. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when-- (1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and (2) such bonus is part of restructuring costs associated with a business combination. (including ***transfer*** of funds) Sec. 8052. During the current fiscal ***year***, no more than $30,000,000 of appropriations made in this Act under the heading ``Operation and Maintenance, Defense-Wide'' may be ***transferred*** to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which ***transferred***, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code. Sec. 8053. During the current fiscal ***year***, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if-- (1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account; (2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and (3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal ***Year*** 1991, Public Law 101-510, as amended (31 U.S.C 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account. Sec. 8054. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis. (b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal ***year*** limitation. (including ***transfer*** of funds) Sec. 8055. Of the funds appropriated in this Act under the heading ``Operation and Maintenance, Defense-wide'', $35,000,000 shall be for continued implementation and expansion of the Sexual Assault Special Victims' Counsel ***Program***: Provided, That the funds are made available for ***transfer*** to the Department of the Army, the Department of the Navy, and the Department of the Air Force: Provided further, That funds ***transferred*** shall be merged with and available for the same purposes and for the same time period as the appropriations to which the funds are ***transferred***: Provided further, That this ***transfer*** authority is in addition to any other ***transfer*** authority provided in this Act. Sec. 8056. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That the Secretary of Defense shall, with submission of the department's fiscal ***year*** 2020 budget request, submit a report detailing the use of funds requested in research, development, test and evaluation accounts for end-items used in development, prototyping and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to ***programs*** funded within the National Intelligence ***Program***: Provided further, That the Secretary of Defense may waive this restriction on a case-by- case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so. Sec. 8057. (a) The Secretary of Defense may, on a case-by- case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative ***programs*** entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country. (b) Subsection (a) applies with respect to-- (1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and (2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a). (c) Subsection (a) does not apply to a limitation regarding construction of public vessels, [[Page H8268]] ball and roller bearings, food, and clothing or textile materials as defined by section XI (chapters 50-65) of the Harmonized Tariff Schedule of the United States and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404. Sec. 8058. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business. (including ***transfer*** of funds) Sec. 8059. Of the amounts appropriated for ``Operation and Maintenance, Navy'', up to $1,000,000 shall be available for ***transfer*** to the John C. Stennis Center for Public Service Development Trust Fund established under section 116 of the John C. Stennis Center for Public Service Training and Development Act (2 U.S.C 1105). Sec. 8060. Notwithstanding any other provision of law, funds appropriated in this Act under the heading ``Research, Development, Test and Evaluation, Defense-Wide'' for any new start advanced concept technology demonstration project or joint capability demonstration project may only be obligated 45 days after a report, including a description of the project, the planned acquisition and transition strategy and its estimated annual and total cost, has been provided in writing to the congressional defense committees: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so. Sec. 8061. The Secretary of Defense shall continue to provide a classified quarterly report to the House and Senate Appropriations Committees, Subcommittees on Defense on certain matters as directed in the classified annex accompanying this Act. Sec. 8062. Notwithstanding section 12310(b) of title 10, United States Code, a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32, United States Code, may perform duties in support of the ground-based elements of the National Ballistic Missile Defense System. Sec. 8063. None of the funds provided in this Act may be used to ***transfer*** to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of ``armor penetrator'', ``armor piercing (AP)'', ``armor piercing incendiary (API)'', or ``armor-piercing incendiary tracer (API-T)'', except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State. Sec. 8064. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive ***payment*** of all or part of the consideration that otherwise would be required under section 2667 of title 10, United States Code, in the case of a lease of personal property for a period not in excess of 1 ***year*** to any organization specified in section 508(d) of title 32, United States Code, or any other youth, social, or fraternal nonprofit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis. (including ***transfer*** of funds) Sec. 8065. Of the amounts appropriated in this Act under the heading ``Operation and Maintenance, Army'', $62,483,700 shall remain available until expended: Provided, That, notwithstanding any other provision of law, the Secretary of Defense is authorized to ***transfer*** such funds to other activities of the Federal Government: Provided further, That the Secretary of Defense is authorized to enter into and carry out contracts for the acquisition of real property, construction, personal services, and operations related to projects carrying out the purposes of this section: Provided further, That contracts entered into under the authority of this section may provide for such indemnification as the Secretary determines to be necessary: Provided further, That projects authorized by this section shall comply with applicable Federal, State, and local law to the maximum extent consistent with the national security, as determined by the Secretary of Defense. Sec. 8066. (a) None of the funds appropriated in this or any other Act may be used to take any action to modify-- (1) the appropriations account structure for the National Intelligence ***Program*** budget, including through the creation of a new appropriation or new appropriation account; (2) how the National Intelligence ***Program*** budget request is presented in the unclassified P-1, R-1, and O-1 documents supporting the Department of Defense budget request; (3) the process by which the National Intelligence ***Program*** appropriations are apportioned to the executing agencies; or (4) the process by which the National Intelligence ***Program*** appropriations are allotted, obligated and disbursed. (b) Nothing in section (a) shall be construed to prohibit the merger of ***programs*** or changes to the National Intelligence ***Program*** budget at or below the Expenditure Center level, provided such change is otherwise in accordance with paragraphs (a)(1)-(3). (c) The Director of National Intelligence and the Secretary of Defense may jointly, only for the purposes of achieving auditable financial statements and improving fiscal reporting, study and develop detailed proposals for alternative financial management processes. Such study shall include a comprehensive counterintelligence risk assessment to ensure that none of the alternative processes will adversely affect counterintelligence. (d) Upon development of the detailed proposals defined under subsection (c), the Director of National Intelligence and the Secretary of Defense shall-- (1) provide the proposed alternatives to all affected agencies; (2) receive certification from all affected agencies attesting that the proposed alternatives will help achieve auditability, improve fiscal reporting, and will not adversely affect counterintelligence; and (3) not later than 30 days after receiving all necessary certifications under paragraph (2), present the proposed alternatives and certifications to the congressional defense and intelligence committees. Sec. 8067. In addition to amounts provided elsewhere in this Act, $10,000,000 is hereby appropriated to the Department of Defense, to remain available for obligation until expended: Provided, That notwithstanding any other provision of law, that upon the determination of the Secretary of Defense that it shall serve the national interest, these funds shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary. Sec. 8068. None of the funds available to the Department of Defense may be obligated to modify command and control relationships to give Fleet Forces Command operational and administrative control of United States Navy forces assigned to the Pacific fleet: Provided, That the command and control relationships which existed on October 1, 2004, shall remain in force until a written modification has been proposed to the House and Senate Appropriations Committees: Provided further, That the proposed modification may be implemented 30 days after the notification unless an objection is received from either the House or Senate Appropriations Committees: Provided further, That any proposed modification shall not preclude the ability of the commander of United States Pacific Command to meet operational requirements. Sec. 8069. Any notice that is required to be submitted to the Committees on Appropriations of the Senate and the House of Representatives under section 806(c)(4) of the Bob Stump National Defense Authorization Act for Fiscal ***Year*** 2003 (10 U.S.C 2302 note) after the date of the enactment of this Act shall be submitted pursuant to that requirement concurrently to the Subcommittees on Defense of the Committees on Appropriations of the Senate and the House of Representatives. (including ***transfer*** of funds) Sec. 8070. Of the amounts appropriated in this Act under the headings ``Procurement, Defense-Wide'' and ``Research, Development, Test and Evaluation, Defense-Wide'', $500,000,000 shall be for the Israeli Cooperative ***Programs***: Provided, That of this amount, $70,000,000 shall be for the Secretary of Defense to provide to the Government of Israel for the procurement of the Iron Dome defense system to counter short-range rocket threats, subject to the U.S - Israel Iron Dome Procurement Agreement, as amended; $187,000,000 shall be for the Short Range Ballistic Missile Defense (SRBMD) ***program***, including cruise missile defense research and development under the SRBMD ***program***, of which $50,000,000 shall be for co-production activities of SRBMD systems in the United States and in Israel to meet Israel's defense requirements consistent with each nation's laws, regulations, and procedures, subject to the U.S -Israeli co- production agreement for SRBMD, as amended; $80,000,000 shall be for an upper-tier component to the Israeli Missile Defense Architecture, of which $80,000,000 shall be for co-production activities of Arrow 3 Upper Tier systems in the United States and in Israel to meet Israel's defense requirements consistent with each nation's laws, regulations, and procedures, subject to the U.S -Israeli co-production agreement for Arrow 3 Upper Tier, as amended; and $163,000,000 shall be for the Arrow System Improvement ***Program*** including development of a long range, ground and airborne, detection suite: Provided further, That the ***transfer*** authority provided under this provision is in addition to any other ***transfer*** authority contained in this Act. (including ***transfer*** of funds) Sec. 8071. Of the amounts appropriated in this Act under the heading ``Shipbuilding and Conversion, Navy'', $207,099,000 shall be available until September 30, 2019, to fund prior ***year*** shipbuilding cost increases: Provided, That upon enactment of this Act, the Secretary of the Navy shall ***transfer*** funds to the following appropriations in the amounts specified: Provided further, That the amounts ***transferred*** shall be merged with and be available for the same purposes as the appropriations to which ***transferred*** to: (1) Under the heading ``Shipbuilding and Conversion, Navy'', 2011/2019: LHA Replacement $25,100,000; (2) Under the heading ``Shipbuilding and Conversion, Navy'', 2013/2019: DDG-51 Destroyer $53,966,000; (3) Under the heading ``Shipbuilding and Conversion, Navy'', 2014/2019: Littoral Combat Ship $19,498,000; (4) Under the heading ``Shipbuilding and Conversion, Navy'', 2015/2019: Littoral Combat Ship $83,686,000; [[Page H8269]] (5) Under the heading ``Shipbuilding and Conversion, Navy'', 2015/2019: LCAC $9,400,000; and (6) Under the heading ``Shipbuilding and Conversion, Navy'', 2016/2019: TAO Fleet Oiler $15,449,000. Sec. 8072. Funds appropriated by this Act, or made available by the ***transfer*** of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C 3094) during fiscal ***year*** 2019 until the enactment of the Intelligence Authorization Act for Fiscal ***Year*** 2019. Sec. 8073. None of the funds provided in this Act shall be available for obligation or expenditure through a reprogramming of funds that creates or initiates a new ***program***, project, or activity unless such ***program***, project, or activity must be undertaken immediately in the interest of national security and only after written prior notification to the congressional defense committees. Sec. 8074. The budget of the President for fiscal ***year*** 2020 submitted to the Congress pursuant to section 1105 of title 31, United States Code, shall include separate budget justification documents for costs of United States Armed Forces' participation in contingency operations for the Military Personnel accounts, the Operation and Maintenance accounts, the Procurement accounts, and the Research, Development, Test and Evaluation accounts: Provided, That these documents shall include a description of the funding requested for each contingency operation, for each military service, to include all Active and Reserve components, and for each appropriations account: Provided further, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for each contingency operation, and programmatic data including, but not limited to, troop strength for each Active and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: Provided further, That these documents shall include budget exhibits OP-5 and OP-32 (as defined in the Department of Defense Financial Management Regulation) for all contingency operations for the budget ***year*** and the two preceding fiscal ***years***. Sec. 8075. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system. (rescission) Sec. 8076. Of the funds available to the Secretary of Defense in the ``Foreign Currency Fluctuations, Defense'' account, $250,000,000 are rescinded. Sec. 8077. The Secretary of Defense may use up to $800,000,000 of the amounts appropriated or otherwise made available in this Act to the Department of Defense for the rapid acquisition and deployment of supplies and associated support services pursuant to section 806 of the Bob Stump National Defense Authorization Act for Fiscal ***Year*** 2003 (Public Law 107-314; 10 U.S.C 2302 note): Provided, That the Secretary of Defense shall notify the congressional defense committees promptly of all uses of this authority. Sec. 8078. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act: Provided, That the Air Force shall allow the 53rd Weather Reconnaissance Squadron to perform other missions in support of national defense requirements during the non- hurricane season. Sec. 8079. None of the funds provided in this Act shall be available for integration of foreign intelligence information unless the information has been lawfully collected and processed during the conduct of authorized foreign intelligence activities: Provided, That information pertaining to United States persons shall only be handled in accordance with protections provided in the Fourth Amendment of the United States Constitution as implemented through Executive Order No. 12333. Sec. 8080. (a) None of the funds appropriated by this Act may be used to ***transfer*** research and development, acquisition, or other ***program*** authority relating to current tactical unmanned aerial vehicles (TUAVs) from the Army. (b) The Army shall retain responsibility for and operational control of the MQ-1C Gray Eagle Unmanned Aerial Vehicle (UAV) in order to support the Secretary of Defense in matters relating to the employment of unmanned aerial vehicles. Sec. 8081. None of the funds appropriated by this Act for ***programs*** of the Office of the Director of National Intelligence shall remain available for obligation beyond the current fiscal ***year***, except for funds appropriated for research and technology, which shall remain available until September 30, 2020. Sec. 8082. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ``Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ``Shipbuilding and Conversion, Navy'' appropriations in any prior fiscal ***year***, and the 1 percent limitation shall apply to the total amount of the appropriation. Sec. 8083. (a) Not later than 60 days after the date of enactment of this Act, the Director of National Intelligence shall submit a report to the congressional intelligence committees to establish the baseline for application of reprogramming and ***transfer*** authorities for fiscal ***year*** 2019: Provided, That the report shall include-- (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal ***year*** enacted level; (2) a delineation in the table for each appropriation by Expenditure Center and project; and (3) an identification of items of special congressional interest. (b) None of the funds provided for the National Intelligence ***Program*** in this Act shall be available for reprogramming or ***transfer*** until the report identified in subsection (a) is submitted to the congressional intelligence committees, unless the Director of National Intelligence certifies in writing to the congressional intelligence committees that such reprogramming or ***transfer*** is necessary as an emergency requirement. Sec. 8084 None of the funds made available by this Act may be used to eliminate, restructure, or realign Army Contracting Command--New Jersey or make disproportionate personnel reductions at any Army Contracting Command--New Jersey sites without 30-day prior notification to the congressional defense committees. Sec. 8085. Notwithstanding any other provision of law, any ***transfer*** of funds, appropriated or otherwise made available by this Act, for support to friendly foreign countries in connection with the conduct of operations in which the United States is not participating, pursuant to section 331(d) of title 10, United States Code, shall be made in accordance with sections 8005 or 9002 of this Act, as applicable. Sec. 8086. Any ***transfer*** of amounts appropriated to, credited to, or deposited in the Department of Defense Acquisition Workforce Development Fund in or for fiscal ***year*** 2019 to a military department or Defense Agency pursuant to section 1705(e)(1) of title 10, United States Code, shall be covered by and subject to sections 8005 or 9002 of this Act, as applicable. Sec. 8087. None of the funds made available by this Act for excess defense articles, assistance under section 333 of title 10, United States Code, or peacekeeping operations for the countries designated annually to be in violation of the standards of the Child Soldiers Prevention Act of 2008 (Public Law 110-457; 22 U.S.C 2370c-1) may be used to support any military training or operation that includes child soldiers, as defined by the Child Soldiers Prevention Act of 2008, unless such assistance is otherwise permitted under section 404 of the Child Soldiers Prevention Act of 2008. Sec. 8088. (a) None of the funds provided for the National Intelligence ***Program*** in this or any prior appropriations Act shall be available for obligation or expenditure through a reprogramming or ***transfer*** of funds in accordance with section 102A(d) of the National Security Act of 1947 (50 U.S.C 3024(d)) that-- (1) creates a new start effort; (2) terminates a ***program*** with appropriated funding of $10,000,000 or more; (3) ***transfers*** funding into or out of the National Intelligence ***Program***; or (4) ***transfers*** funding between appropriations, unless the congressional intelligence committees are notified 30 days in advance of such reprogramming of funds; this notification period may be reduced for urgent national security requirements. (b) None of the funds provided for the National Intelligence ***Program*** in this or any prior appropriations Act shall be available for obligation or expenditure through a reprogramming or ***transfer*** of funds in accordance with section 102A(d) of the National Security Act of 1947 (50 U.S.C 3024(d)) that results in a cumulative increase or decrease of the levels specified in the classified annex accompanying the Act unless the congressional intelligence committees are notified 30 days in advance of such reprogramming of funds; this notification period may be reduced for urgent national security requirements. Sec. 8089. The Director of National Intelligence shall submit to Congress each ***year***, at or about the time that the President's budget is submitted to Congress that ***year*** under section 1105(a) of title 31, United States Code, a future- ***years*** intelligence ***program*** (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in that budget. Any such future-***years*** intelligence ***program*** shall cover the fiscal ***year*** with respect to which the budget is submitted and at least the four succeeding fiscal ***years***. Sec. 8090. For the purposes of this Act, the term ``congressional intelligence committees'' means the Permanent Select Committee on Intelligence of the House of Representatives, the Select Committee on Intelligence of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Defense of the Committee on Appropriations of the Senate. (including ***transfer*** of funds) Sec. 8091. During the current fiscal ***year***, not to exceed $11,000,000 from each of the appropriations made in title II of this Act for ``Operation and Maintenance, Army'', ``Operation and Maintenance, Navy'', and ``Operation and Maintenance, Air Force'' may be ***transferred*** by the military department concerned to its central fund established for Fisher Houses and Suites pursuant to section 2493(d) of title 10, United States Code. Sec. 8092. None of the funds appropriated by this Act may be available for the purpose of making remittances to the Department of Defense Acquisition Workforce Development Fund in accordance with section 1705 of title 10, United States Code. Sec. 8093. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public Web site of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest. [[Page H8270]] (b) Subsection (a) shall not apply to a report if-- (1) the public posting of the report compromises national security; or (2) the report contains proprietary information. (c) The head of the agency posting such report shall do so only after such report has been made available to the requesting Committee or Committees of Congress for no less than 45 days. Sec. 8094. (a) None of the funds appropriated or otherwise made available by this Act may be expended for any Federal contract for an amount in excess of $1,000,000, unless the contractor agrees not to-- (1) enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or (2) take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention. (b) None of the funds appropriated or otherwise made available by this Act may be expended for any Federal contract unless the contractor certifies that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce any provision of, any agreement as described in paragraphs (1) and (2) of subsection (a), with respect to any employee or independent contractor performing work related to such subcontract. For purposes of this subsection, a ``covered subcontractor'' is an entity that has a subcontract in excess of $1,000,000 on a contract subject to subsection (a). (c) The prohibitions in this section do not apply with respect to a contractor's or subcontractor's agreements with employees or independent contractors that may not be enforced in a court of the United States. (d) The Secretary of Defense may waive the application of subsection (a) or (b) to a particular contractor or subcontractor for the purposes of a particular contract or subcontract if the Secretary or the Deputy Secretary personally determines that the waiver is necessary to avoid harm to national security interests of the United States, and that the term of the contract or subcontract is not longer than necessary to avoid such harm. The determination shall set forth with specificity the grounds for the waiver and for the contract or subcontract term selected, and shall state any alternatives considered in lieu of a waiver and the reasons each such alternative would not avoid harm to national security interests of the United States. The Secretary of Defense shall transmit to Congress, and simultaneously make public, any determination under this subsection not less than 15 business days before the contract or subcontract addressed in the determination may be awarded. (including ***transfer*** of funds) Sec. 8095. From within the funds appropriated for operation and maintenance for the Defense Health ***Program*** in this Act, up to $113,000,000, shall be available for ***transfer*** to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund in accordance with the provisions of section 1704 of the National Defense Authorization Act for Fiscal ***Year*** 2010, Public Law 111-84: Provided, That for purposes of section 1704(b), the facility operations funded are operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veterans Affairs Medical Center, the Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by section 706 of Public Law 110-417: Provided further, That additional funds may be ***transferred*** from funds appropriated for operation and maintenance for the Defense Health ***Program*** to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Defense to the Committees on Appropriations of the House of Representatives and the Senate. Sec. 8096. None of the funds appropriated or otherwise made available by this Act may be used by the Department of Defense or a component thereof in contravention of the provisions of section 130h of title 10, United States Code. Sec. 8097. Appropriations available to the Department of Defense may be used for the purchase of heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles. (including ***transfer*** of funds) Sec. 8098. Upon a determination by the Director of National Intelligence that such action is necessary and in the national interest, the Director may, with the approval of the Office of Management and Budget, ***transfer*** not to exceed $1,500,000,000 of the funds made available in this Act for the National Intelligence ***Program***: Provided, That such authority to ***transfer*** may not be used unless for higher priority items, based on unforeseen intelligence requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2019. Sec. 8099. None of the funds appropriated or otherwise made available in this or any other Act may be used to ***transfer***, release, or assist in the ***transfer*** or release to or within the United States, its territories, or possessions Khalid Sheikh Mohammed or any other detainee who-- (1) is not a United States citizen or a member of the Armed Forces of the United States; and (2) is or was held on or after June 24, 2009, at United States Naval Station, Guantanamo Bay, Cuba, by the Department of Defense. Sec. 8100. (a) None of the funds appropriated or otherwise made available in this or any other Act may be used to construct, acquire, or modify any facility in the United States, its territories, or possessions to house any individual described in subsection (c) for the purposes of detention or imprisonment in the custody or under the effective control of the Department of Defense. (b) The prohibition in subsection (a) shall not apply to any modification of facilities at United States Naval Station, Guantanamo Bay, Cuba. (c) An individual described in this subsection is any individual who, as of June 24, 2009, is located at United States Naval Station, Guantanamo Bay, Cuba, and who-- (1) is not a citizen of the United States or a member of the Armed Forces of the United States; and (2) is-- (A) in the custody or under the effective control of the Department of Defense; or (B) otherwise under detention at United States Naval Station, Guantanamo Bay, Cuba. Sec. 8101. None of the funds appropriated or otherwise made available in this Act may be used to ***transfer*** any individual detained at United States Naval Station Guantanamo Bay, Cuba, to the custody or control of the individual's country of origin, any other foreign country, or any other foreign entity except in accordance with section 1034 of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92) and section 1035 of the National Defense Authorization Act for Fiscal ***Year*** 2019 (Public Law 115-232). Sec. 8102. None of the funds made available by this Act may be used in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.). Sec. 8103. (a) None of the funds appropriated or otherwise made available by this or any other Act may be used by the Secretary of Defense, or any other official or officer of the Department of Defense, to enter into a contract, memorandum of understanding, or cooperative agreement with, or make a grant to, or provide a loan or loan guarantee to Rosoboronexport or any subsidiary of Rosoboronexport. (b) The Secretary of Defense may waive the limitation in subsection (a) if the Secretary, in consultation with the Secretary of State and the Director of National Intelligence, determines that it is in the vital national security interest of the United States to do so, and certifies in writing to the congressional defense committees that, to the best of the Secretary's knowledge: (1) Rosoboronexport has ceased the ***transfer*** of lethal military equipment to, and the maintenance of existing lethal military equipment for, the Government of the Syrian Arab Republic; (2) The armed forces of the Russian Federation have withdrawn from Crimea, other than armed forces present on military bases subject to agreements in force between the Government of the Russian Federation and the Government of Ukraine; and (3) Agents of the Russian Federation have ceased taking active measures to destabilize the control of the Government of Ukraine over eastern Ukraine. (c) The Inspector General of the Department of Defense shall conduct a review of any action involving Rosoboronexport with respect to a waiver issued by the Secretary of Defense pursuant to subsection (b), and not later than 90 days after the date on which such a waiver is issued by the Secretary of Defense, the Inspector General shall submit to the congressional defense committees a report containing the results of the review conducted with respect to such waiver. Sec. 8104. None of the funds made available in this Act may be used for the purchase or manufacture of a flag of the United States unless such flags are treated as covered items under section 2533a(b) of title 10, United States Code. Sec. 8105. The Secretary of Defense, in consultation with the Service Secretaries, shall submit two reports to the congressional defense committees, not later than March 1, 2019, and not later than September 1, 2019, detailing the submission of records during the previous 6 months to databases accessible to the National Instant Criminal Background Check System (NICS), including the Interstate Identification Index (III), the National Crime Information Center (NCIC), and the NICS Index, as required by Public Law 110-180: Provided, That such reports shall provide the number and category of records submitted by month to each such database, by Service or Component: Provided further, That such reports shall identify the number and category of records submitted by month to those databases for which the Identification for Firearm Sales (IFFS) flag or other database flags were used to pre-validate the records and indicate that such persons are prohibited from receiving or possessing a firearm: Provided further, That such reports shall describe the steps taken during the previous 6 months, by Service or Component, to ensure complete and accurate submission and appropriate flagging of records of individuals prohibited from gun possession or receipt pursuant to 18 U.S.C 922(g) or (n) including applicable records involving proceedings under the Uniform Code of Military Justice. [[Page H8271]] Sec. 8106. (a) Of the funds appropriated in this Act for the Department of Defense, amounts should be made available, under such regulations as the Secretary of Defense may prescribe, to local military commanders appointed by the Secretary, or by an officer or employee designated by the Secretary, to provide at their discretion ex gratia ***payments*** in amounts consistent with subsection (d) of this section for damage, personal injury, or death that is incident to combat operations of the Armed Forces in a foreign country. (b) An ex gratia ***payment*** under this section may be provided only if-- (1) the prospective foreign civilian recipient is determined by the local military commander to be friendly to the United States; (2) a claim for damages would not be compensable under chapter 163 of title 10, United States Code (commonly known as the ``Foreign Claims Act''); and (3) the property damage, personal injury, or death was not caused by action by an enemy. (c) Any ***payments*** provided under a ***program*** under subsection (a) shall not be considered an admission or acknowledgement of any legal obligation to compensate for any damage, personal injury, or death. (d) If the Secretary of Defense determines a ***program*** under subsection (a) to be appropriate in a particular setting, the amounts of ***payments***, if any, to be provided to civilians determined to have suffered harm incident to combat operations of the Armed Forces under the ***program*** should be determined pursuant to regulations prescribed by the Secretary and based on an assessment, which should include such factors as cultural appropriateness and prevailing economic conditions. (e) Local military commanders shall receive legal advice before making ex gratia ***payments*** under this subsection. The legal advisor, under regulations of the Department of Defense, shall advise on whether an ex gratia ***payment*** is proper under this section and applicable Department of Defense regulations. (f) A written record of any ex gratia ***payment*** offered or denied shall be kept by the local commander and on a timely basis submitted to the appropriate office in the Department of Defense as determined by the Secretary of Defense. (g) The Secretary of Defense shall report to the congressional defense committees on an annual basis the efficacy of the ex gratia ***payment*** ***program*** including the number of types of cases considered, amounts offered, the response from ex gratia ***payment*** recipients, and any recommended modifications to the ***program***. Sec. 8107. None of the funds available in this Act to the Department of Defense, other than appropriations made for necessary or routine refurbishments, upgrades or maintenance activities, shall be used to reduce or to prepare to reduce the number of deployed and non-deployed strategic delivery vehicles and launchers below the levels set forth in the report submitted to Congress in accordance with section 1042 of the National Defense Authorization Act for Fiscal ***Year*** 2012. Sec. 8108. The Secretary of Defense shall post grant awards on a public Website in a searchable format. Sec. 8109. The Secretary of each military department, in reducing each research, development, test and evaluation and procurement account of the military department as required under paragraph (1) of section 828(d) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92; 10 U.S.C 2430 note), as amended by section 825(a)(3) of the National Defense Authorization Act for Fiscal ***Year*** 2018, shall allocate the percentage reduction determined under paragraph (2) of such section 828(d) proportionally from all ***programs***, projects, or activities under such account: Provided, That the authority under section 804(d)(2) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92; 10 U.S.C 2302 note) to ***transfer*** amounts available in the Rapid Prototyping Fund shall be subject to section 8005 or 9002 of this Act, as applicable. Sec. 8110. None of the funds made available by this Act may be used to fund the performance of a flight demonstration team at a location outside of the United States: Provided, That this prohibition applies only if a performance of a flight demonstration team at a location within the United States was canceled during the current fiscal ***year*** due to insufficient funding. Sec. 8111. None of the funds made available by this Act may be used by the National Security Agency to-- (1) conduct an acquisition pursuant to section 702 of the Foreign Intelligence Surveillance Act of 1978 for the purpose of targeting a United States person; or (2) acquire, monitor, or store the contents (as such term is defined in section 2510(8) of title 18, United States Code) of any electronic communication of a United States person from a provider of electronic communication services to the public pursuant to section 501 of the Foreign Intelligence Surveillance Act of 1978. Sec. 8112. None of the funds made available by this Act may be obligated or expended to implement the Arms Trade Treaty until the Senate approves a resolution of ratification for the Treaty. Sec. 8113. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of any agency funded by this Act who approves or implements the ***transfer*** of administrative responsibilities or budgetary resources of any ***program***, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act without the express authorization of Congress: Provided, That this limitation shall not apply to ***transfers*** of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense. Sec. 8114. Of the amounts appropriated in this Act for ``Operation and Maintenance, Navy'', $310,805,000, to remain available until expended, may be used for any purposes related to the National Defense Reserve Fleet established under section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C 4405): Provided, That such amounts are available for reimbursements to the Ready Reserve Force, Maritime Administration account of the United States Department of Transportation for ***programs***, projects, activities, and expenses related to the National Defense Reserve Fleet. Sec. 8115. None of the funds made available in this Act may be obligated for activities authorized under section 1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal ***Year*** 2005 (Public Law 112-81; 125 Stat. 1621) to initiate support for, or expand support to, foreign forces, irregular forces, groups, or individuals unless the congressional defense committees are notified in accordance with the direction contained in the classified annex accompanying this Act, not less than 15 days before initiating such support: Provided, That none of the funds made available in this Act may be used under section 1208 for any activity that is not in support of an ongoing military operation being conducted by United States Special Operations Forces to combat terrorism: Provided further, That the Secretary of Defense may waive the prohibitions in this section if the Secretary determines that such waiver is required by extraordinary circumstances and, by not later than 72 hours after making such waiver, notifies the congressional defense committees of such waiver. Sec. 8116. None of the funds made available by this Act may be used with respect to Iraq in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.), including for the introduction of United States armed forces into hostilities in Iraq, into situations in Iraq where imminent involvement in hostilities is clearly indicated by the circumstances, or into Iraqi territory, airspace, or waters while equipped for combat, in contravention of the congressional consultation and reporting requirements of sections 3 and 4 of such Resolution (50 U.S.C 1542 and 1543). Sec. 8117. None of the funds provided in this Act for the TAO Fleet Oiler ***program*** shall be used to award a new contract that provides for the acquisition of the following components unless those components are manufactured in the United States: Auxiliary equipment (including pumps) for shipboard services; propulsion equipment (including engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes. Sec. 8118. Notwithstanding any other provision of this Act, to mitigate higher than anticipated fuel costs, the total amount appropriated in title II of this Act is hereby increased by $750,000,000. Sec. 8119. No amounts credited or otherwise made available in this or any other Act to the Department of Defense Acquisition Workforce Development Fund may be ***transferred*** to: (1) the Rapid Prototyping Fund established under section 804(d) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (10 U.S.C 2302 note); or (2) credited to a military-department specific fund established under section 804(d)(2) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (as amended by section 897 of the National Defense Authorization Act for Fiscal ***Year*** 2017). Sec. 8120. None of the funds made available by this Act may be used for Government Travel Charge Card expenses by military or civilian personnel of the Department of Defense for gaming, or for entertainment that includes topless or nude entertainers or participants, as prohibited by Department of Defense FMR, Volume 9, Chapter 3 and Department of Defense Instruction 1015.10 (enclosure 3, 14a and 14b). Sec. 8121. Notwithstanding any other provision of law, from funds made available to the Department of Defense in title II of this Act under the heading ``Operation and Maintenance, Defense-Wide'', $15,000,000 shall be available for a project in a country designated by the Secretary of Defense: Provided, That in furtherance of the project, the Department of Defense is authorized to acquire services, including services performed pursuant to a grant agreement, from another Federal agency, on an advance of funds or reimbursable basis: Provided further, That an order for services placed under this section is deemed to be an obligation in the same manner that a similar order placed under a contract with a private contractor is an obligation. Sec. 8122. None of the funds made available by this Act may be used to propose, plan for, or execute a new or additional Base Realignment and Closure (BRAC) round. Sec. 8123. None of the funds appropriated by this Act may be made available to deliver F-35 aircraft to the Republic of Turkey, except in accordance with section 1282 of the John S. McCain National Defense Authorization Act for Fiscal ***Year*** 2019 (Public Law 115-232). (including ***transfer*** of funds) Sec. 8124. Of the amounts appropriated in this Act, the Secretary of Defense may use up to $65,442,000 under the heading ``Operation and Maintenance, Defense-Wide'', and up to $55,400,000 under the heading ``Research, Development, Test and Evaluation, Defense-Wide'' to develop, replace, and sustain Federal Government security and suitability background investigation information technology systems of the Office of Personnel Management or other Federal agency responsible for conducting such investigations: Provided, That the Secretary may ***transfer*** additional amounts into these headings or into ``Procurement, Defense-Wide'' using established reprogramming procedures prescribed [[Page H8272]] in the Department of Defense Financial Management Regulation 7000.14, Volume 3, Chapter 6, dated September 2015: Provided further, That such funds shall supplement, not supplant any other amounts made available to other Federal agencies for such purposes. Sec. 8125. None of the funds made available by this Act may be used to carry out the closure or realignment of the United States Naval Station, Guantanamo Bay, Cuba. Sec. 8126. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network is designed to block access to pornography websites. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities, or for any activity necessary for the national defense, including intelligence activities. Sec. 8127. Notwithstanding any other provision of law, any ***transfer*** of funds appropriated or otherwise made available by this Act to the Global Engagement Center established by section 1287 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328; 130 Stat. 22 U.S.C 2656 note) shall be made in accordance with section 8005 or 9002 of this Act, as applicable. Sec. 8128. In addition to amounts provided elsewhere in this Act, there is appropriated $270,000,000, for an additional amount for ``Operation and Maintenance, Defense- Wide'', to remain available until expended: Provided, That such funds shall only be available to the Secretary of Defense, acting through the Office of Economic Adjustment of the Department of Defense, or for ***transfer*** to the Secretary of Education, notwithstanding any other provision of law, to make grants, conclude cooperative agreements, or supplement other Federal funds to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools: Provided further, That in making such funds available, the Office of Economic Adjustment or the Secretary of Education shall give priority consideration to those military installations with schools having the most serious capacity or facility condition deficiencies as determined by the Secretary of Defense: Provided further, That as a condition of receiving funds under this section a local educational agency or State shall provide a matching share as described in the notice titled ``Department of Defense ***Program*** for Construction, Renovation, Repair or Expansion of Public Schools Located on Military Installations'' published by the Department of Defense in the Federal Register on September 9, 2011 (76 Fed. Reg. 55883 et seq.): Provided further, That these provisions apply to funds provided under this section, and to funds previously provided by Congress to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools to the extent such funds remain unobligated on the date of enactment of this section. Sec. 8129. In carrying out the ***program*** described in the memorandum on the subject of ``Policy for Assisted Reproductive Services for the Benefit of Seriously or Severely Ill/Injured (Category II or III) Active Duty Service Members'' issued by the Assistant Secretary of Defense for Health Affairs on April 3, 2012, and the guidance issued to implement such memorandum, the Secretary of Defense shall apply such policy and guidance, except that-- (1) the limitation on periods regarding embryo cryopreservation and storage set forth in part III(G) and in part IV(H) of such memorandum shall not apply; and (2) the term ``assisted reproductive technology'' shall include embryo cryopreservation and storage without limitation on the duration of such cryopreservation and storage. Sec. 8130. None of the funds made available by this Act may be used to provide arms, training, or other assistance to the Azov Battalion. Sec. 8131. None of the funds made available by this Act may be used to purchase heavy water from Iran. Sec. 8132. The amount appropriated in title II of this Act for ``Operation and Maintenance, Army'' is hereby reduced by $50,000,000 to reflect excess cash balances in Department of Defense Working Capital Funds. Sec. 8133. The amount appropriated in title II of this Act for ``Operation and Maintenance, Navy'' is hereby reduced by $50,000,000 to reflect excess cash balances in Department of Defense Working Capital Funds. Sec. 8134. None of the funds provided for, or otherwise made available, in this or any other Act, may be obligated or expended by the Secretary of Defense to provide motorized vehicles, aviation platforms, munitions other than small arms and munitions appropriate for customary ceremonial honors, operational military units, or operational military platforms if the Secretary determines that providing such units, platforms, or equipment would undermine the readiness of such units, platforms, or equipment. Sec. 8135. The Secretary of Defense may obligate and expend funds made available under this Act for procurement or for research, development, test and evaluation for the F-35 Joint Strike Fighter to modify up to six F-35 aircraft, including up to two F-35 aircraft of each variant, to a test configuration: Provided, That the Secretary of Defense shall, with the concurrence of the Secretary of the Air Force and the Secretary of the Navy, notify the congressional defense committees not fewer than 30 days prior to obligating and expending funds under this section: Provided further, That any ***transfer*** of funds pursuant to the authority provided in this section shall be made in accordance with sections 8005 or 9002 of this Act, as appropriate, if applicable. Sec. 8136. Amounts appropriated for ``Defense Health ***Program***'' in this Act and hereafter may be obligated to make death gratuity ***payments***, as authorized in subchapter II of chapter 75 of title 10, United States Code, if no appropriation for ``Military Personnel'' is available for obligation for such ***payments***: Provided, That such obligations may subsequently be recorded against appropriations available for ``Military Personnel''. Sec. 8137. None of the funds appropriated or otherwise made available by this or any other Act may be obligated or expended by the Department of Defense to migrate data and applications to the proposed Joint Enterprise Defense Infrastructure or the Defense Enterprise Office Solutions cloud computing services until a period of 90 days has elapsed following the date on which the Secretary of Defense submits to the congressional defense committees-- (1) a proposed plan to establish a budget accounting system that provides transparency across the Department, including all military Services and Defense Agencies, for funds requested and expended for all cloud computing services procured by the Department and funds requested and expended to migrate to a cloud computing environment; and (2) a detailed description of the Department's strategy to implement enterprise-wide cloud computing, including the goals and acquisition strategies for all proposed enterprise- wide cloud computing service procurements; the strategy to sustain competition and innovation throughout the period of performance of each contract, including defining opportunities for multiple cloud service providers and insertion of new technologies; and an assessment of potential threats and security vulnerabilities of the proposed cloud computing strategy, and plans to mitigate such risks. Sec. 8138. (a) None of the funds made available by this or any other Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting such tax liability, provided that the applicable Federal agency is aware of the unpaid Federal tax liability. (b) Subsection (a) shall not apply if the applicable Federal agency has considered suspension or debarment of the corporation described in such subsection and has made a determination that such suspension or debarment is not necessary to protect the interests of the Federal Government. Sec. 8139. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for assistance to the Islamic Republic of Iran unless specifically appropriated for that purpose. Sec. 8140. From amounts appropriated or otherwise made available by title II of this division under the heading ``Operation and Maintenance, Air Force'', the Secretary of Defense may reimburse the Government of the Republic of Palau in an amount not to exceed $9,700,000 for land acquisition costs for defense sites. Sec. 8141. None of the funds made available by this Act may be used in contravention of-- (1) Executive Order No. 13175 (65 Fed. Reg. 67249; relating to consultation and coordination with Indian Tribal governments); or (2) section 1501.2(d)(2) of title 40, Code of Federal Regulations. Sec. 8142. Of the funds appropriated to the Department of Defense under the heading ``Operation and Maintenance, Air National Guard'', not more than $20,000,000 shall be available to the Secretary of the Air Force for ***payments*** to a local water authority located in the vicinity of an Air National Guard base, or to a state in which the local water authority is located, for the treatment of perfluorooctane sulfonic acid and perfluorooctanoic acid in drinking water from the wells owned and operated by the local water authority undertaken to attain the United States Environmental Protection Agency Lifetime Health Advisory level for such acids: Provided, That the applicable Lifetime Health Advisory shall be the one in effect on October 1, 2017: Provided further, That the local water authority must have requested such a ***payment*** from the National Guard Bureau in fiscal ***year*** 2018: Provided further, That the elevated levels of such acids in the water was the result of activities conducted by or paid for by the Department of the Air Force: Provided further, That such funds may be expended without regard to existing contractual provisions in agreements between the Department of the Air Force or the National Guard Bureau, as the case may be, and the state in which the base is located relating to environmental response actions or indemnification: Provided further, That, in order to be eligible for ***payment*** under this section, such treatment must have taken place after January 1, 2017, but prior to the date of enactment of this act, and the local water authority or state, as the case may be, must waive all claims for treatment expenses incurred before such date of enactment: Provided further, That any ***payment*** under this section may not exceed the actual cost of such treatment resulting from the activities conducted by or paid for by the Department of the Air Force: Provided further, That the Secretary may enter into such agreements with the local water authority or state as may be necessary to implement this section: Provided further, That the Secretary may pay, utilizing the Defense State Memorandum of Agreement, costs that would otherwise be eligible for ***payment*** under that agreement were those costs paid [[Page H8273]] using funds appropriated to the Environmental Restoration Account, Air Force, established under section 2703(a)(4) of title 10, United States Code. TITLE IX OVERSEAS CONTINGENCY OPERATIONS MILITARY PERSONNEL Military Personnel, Army For an additional amount for ``Military Personnel, Army'', $2,929,154,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Navy For an additional amount for ``Military Personnel, Navy'', $385,461,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Marine Corps For an additional amount for ``Military Personnel, Marine Corps'', $109,232,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Air Force For an additional amount for ``Military Personnel, Air Force'', $964,508,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Army For an additional amount for ``Reserve Personnel, Army'', $37,007,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Navy For an additional amount for ``Reserve Personnel, Navy'', $11,100,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Marine Corps For an additional amount for ``Reserve Personnel, Marine Corps'', $2,380,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Air Force For an additional amount for ``Reserve Personnel, Air Force'', $21,076,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Guard Personnel, Army For an additional amount for ``National Guard Personnel, Army'', $195,283,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Guard Personnel, Air Force For an additional amount for ``National Guard Personnel, Air Force'', $5,460,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. OPERATION AND MAINTENANCE Operation and Maintenance, Army For an additional amount for ``Operation and Maintenance, Army'', $18,548,500,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Navy For an additional amount for ``Operation and Maintenance, Navy'', $5,172,155,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Marine Corps For an additional amount for ``Operation and Maintenance, Marine Corps'', $1,292,995,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air Force For an additional amount for ``Operation and Maintenance, Air Force'', $9,828,674,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Defense-Wide For an additional amount for ``Operation and Maintenance, Defense-Wide'', $8,105,991,000: Provided, That of the funds provided under this heading, not to exceed $900,000,000, to remain available until September 30, 2020, shall be for ***payments*** to reimburse key cooperating nations for logistical, military, and other support, including access, provided to United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and Syria: Provided further, That such reimbursement ***payments*** may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: Provided further, That these funds may be used for the purpose of providing specialized training and procuring supplies and specialized equipment and providing such supplies and loaning such equipment on a non- reimbursable basis to coalition forces supporting United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and Syria, and 15 days following notification to the appropriate congressional committees: Provided further, That these funds may be used to support the Government of Jordan in such amounts as the Secretary of Defense may determine, to enhance the ability of the armed forces of Jordan to increase or sustain security along its borders, upon 15 days prior written notification to the congressional defense committees outlining the amounts intended to be provided and the nature of the expenses incurred: Provided further, That of the funds provided under this heading, not to exceed $793,442,000, to remain available until September 30, 2020, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation ***programs***: Provided further, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Army Reserve For an additional amount for ``Operation and Maintenance, Army Reserve'', $41,887,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Navy Reserve For an additional amount for ``Operation and Maintenance, Navy Reserve'', $25,637,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Marine Corps Reserve For an additional amount for ``Operation and Maintenance, Marine Corps Reserve'', $3,345,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air Force Reserve For an additional amount for ``Operation and Maintenance, Air Force Reserve'', $60,500,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Army National Guard For an additional amount for ``Operation and Maintenance, Army National Guard'', $110,729,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air National Guard For an additional amount for ``Operation and Maintenance, Air National Guard'', $15,870,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Afghanistan Security Forces Fund For the ``Afghanistan Security Forces Fund'', $4,920,000,000, to remain available until September 30, 2020: Provided, That such funds shall be available to the Secretary of Defense for the purpose of allowing the Commander, Combined Security Transition Command--Afghanistan, or the Secretary's designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Afghanistan, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, construction, and funding: Provided further, That the Secretary of Defense may obligate and expend funds made available to the Department of Defense in this title for additional costs associated with existing projects previously funded with amounts provided under [[Page H8274]] the heading ``Afghanistan Infrastructure Fund'' in prior Acts: Provided further, That such costs shall be limited to contract changes resulting from inflation, market fluctuation, rate adjustments, and other necessary contract actions to complete existing projects, and associated supervision and administration costs and costs for design during construction: Provided further, That the Secretary may not use more than $50,000,000 under the authority provided in this section: Provided further, That the Secretary shall notify in advance such contract changes and adjustments in annual reports to the congressional defense committees: Provided further, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: Provided further, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense shall notify the congressional defense committees in writing upon the receipt and upon the obligation of any contribution, delineating the sources and amounts of the funds received and the specific use of such contributions: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary of Defense shall notify the congressional defense committees of any proposed new projects or ***transfer*** of funds between budget sub-activity groups in excess of $20,000,000: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was ***transferred*** to the security forces of Afghanistan and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet ***transferred*** to the security forces of Afghanistan or ***transferred*** to the security forces of Afghanistan and returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That of the funds provided under this heading, not less than $10,000,000 shall be for recruitment and retention of women in the Afghanistan National Security Forces, and the recruitment and training of female security personnel: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Counter-ISIS Train and Equip Fund For the ``Counter-Islamic State of Iraq and Syria Train and Equip Fund'', $1,352,200,000, to remain available until September 30, 2020: Provided, That such funds shall be available to the Secretary of Defense in coordination with the Secretary of State, to provide assistance, including training; equipment; logistics support, supplies, and services; stipends; infrastructure repair and renovation; and sustainment, to foreign security forces, irregular forces, groups, or individuals participating, or preparing to participate in activities to counter the Islamic State of Iraq and Syria, and their affiliated or associated groups: Provided further, That these funds may be used in such amounts as the Secretary of Defense may determine to enhance the border security of nations adjacent to conflict areas including Jordan, Lebanon, Egypt, and Tunisia resulting from actions of the Islamic State of Iraq and Syria: Provided further, That amounts made available under this heading shall be available to provide assistance only for activities in a country designated by the Secretary of Defense, in coordination with the Secretary of State, as having a security mission to counter the Islamic State of Iraq and Syria, and following written notification to the congressional defense committees of such designation: Provided further, That the Secretary of Defense shall ensure that prior to providing assistance to elements of any forces or individuals, such elements or individuals are appropriately vetted, including at a minimum, assessing such elements for associations with terrorist groups or groups associated with the Government of Iran; and receiving commitments from such elements to promote respect for human rights and the rule of law: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary of Defense may accept and retain contributions, including assistance in-kind, from foreign governments, including the Government of Iraq and other entities, to carry out assistance authorized under this heading: Provided further, That contributions of funds for the purposes provided herein from any foreign government or other entity may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense may waive a provision of law relating to the acquisition of items and support services or sections 40 and 40A of the Arms Export Control Act (22 U.S.C 2780 and 2785) if the Secretary determines that such provision of law would prohibit, restrict, delay or otherwise limit the provision of such assistance and a notice of and justification for such waiver is submitted to the congressional defense committees, the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives: Provided further, That the United States may accept equipment procured using funds provided under this heading, or under the heading, ``Iraq Train and Equip Fund'' in prior Acts, that was ***transferred*** to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and Syria and returned by such forces or groups to the United States, and such equipment may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That equipment procured using funds provided under this heading, or under the heading, ``Iraq Train and Equip Fund'' in prior Acts, and not yet ***transferred*** to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and Syria may be treated as stocks of the Department of Defense when determined by the Secretary to no longer be required for ***transfer*** to such forces or groups and upon written notification to the congressional defense committees: Provided further, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided under this heading, including, but not limited to, the number of individuals trained, the nature and scope of support and sustainment provided to each group or individual, the area of operations for each group, and the contributions of other countries, groups, or individuals: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. PROCUREMENT Aircraft Procurement, Army For an additional amount for ``Aircraft Procurement, Army'', $346,963,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Missile Procurement, Army For an additional amount for ``Missile Procurement, Army'', $1,729,904,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Weapons and Tracked Combat Vehicles, Army For an additional amount for ``Procurement of Weapons and Tracked Combat Vehicles, Army'', $1,102,108,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Army For an additional amount for ``Procurement of Ammunition, Army'', $299,075,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Army For an additional amount for ``Other Procurement, Army'', $1,364,045,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Aircraft Procurement, Navy For an additional amount for ``Aircraft Procurement, Navy'', $232,119,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Weapons Procurement, Navy For an additional amount for ``Weapons Procurement, Navy'', $14,134,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Navy and Marine Corps For an additional amount for ``Procurement of Ammunition, Navy and Marine Corps'', $229,783,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Navy For an additional amount for ``Other Procurement, Navy'', $181,173,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement, Marine Corps For an additional amount for ``Procurement, Marine Corps'', $58,023,000, to remain available until September 30, 2021: Provided, That such [[Page H8275]] amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Aircraft Procurement, Air Force For an additional amount for ``Aircraft Procurement, Air Force'', $955,248,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Missile Procurement, Air Force For an additional amount for ``Missile Procurement, Air Force'', $493,526,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Air Force For an additional amount for ``Procurement of Ammunition, Air Force'', $1,371,516,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Air Force For an additional amount for ``Other Procurement, Air Force'', $3,677,276,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement, Defense-Wide For an additional amount for ``Procurement, Defense-Wide'', $572,135,000, to remain available until September 30, 2021: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. RESEARCH, DEVELOPMENT, TEST AND EVALUATION Research, Development, Test and Evaluation, Army For an additional amount for ``Research, Development, Test and Evaluation, Army'', $300,604,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Navy For an additional amount for ``Research, Development, Test and Evaluation, Navy'', $167,812,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Air Force For an additional amount for ``Research, Development, Test and Evaluation, Air Force'', $321,934,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Defense-Wide For an additional amount for ``Research, Development, Test and Evaluation, Defense-Wide'', $403,044,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. REVOLVING AND MANAGEMENT FUNDS Defense Working Capital Funds For an additional amount for ``Defense Working Capital Funds'', $15,190,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. OTHER DEPARTMENT OF DEFENSE ***PROGRAMS*** Defense Health ***Program*** For an additional amount for ``Defense Health ***Program***'', $352,068,000, which shall be for operation and maintenance: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Drug Interdiction and Counter-Drug Activities, Defense For an additional amount for ``Drug Interdiction and Counter-Drug Activities, Defense'', $153,100,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of the Inspector General For an additional amount for the ``Office of the Inspector General'', $24,692,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISIONS--THIS TITLE Sec. 9001. Notwithstanding any other provision of law, funds made available in this title are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal ***year*** 2019. (including ***transfer*** of funds) Sec. 9002. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may, with the approval of the Office of Management and Budget, ***transfer*** up to $2,000,000,000 between the appropriations or funds made available to the Department of Defense in this title: Provided, That the Secretary shall notify the Congress promptly of each ***transfer*** made pursuant to the authority in this section: Provided further, That the authority provided in this section is in addition to any other ***transfer*** authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of this Act. Sec. 9003. Supervision and administration costs and costs for design during construction associated with a construction project funded with appropriations available for operation and maintenance or the ``Afghanistan Security Forces Fund'' provided in this Act and executed in direct support of overseas contingency operations in Afghanistan, may be obligated at the time a construction contract is awarded: Provided, That, for the purpose of this section, supervision and administration costs and costs for design during construction include all in-house Government costs. Sec. 9004. From funds made available in this title, the Secretary of Defense may purchase for use by military and civilian employees of the Department of Defense in the United States Central Command area of responsibility: (1) passenger motor vehicles up to a limit of $75,000 per vehicle; and (2) heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles. Sec. 9005. Not to exceed $10,000,000 of the amounts appropriated by this title under the heading ``Operation and Maintenance, Army'' may be used, notwithstanding any other provision of law, to fund the Commanders' Emergency Response ***Program*** (CERP), for the purpose of enabling military commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements within their areas of responsibility: Provided, That each project (including any ancillary or related elements in connection with such project) executed under this authority shall not exceed $2,000,000: Provided further, That not later than 45 days after the end of each 6 months of the fiscal ***year***, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that 6-month period that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein: Provided further, That, not later than 30 days after the end of each fiscal ***year*** quarter, the Army shall submit to the congressional defense committees quarterly commitment, obligation, and expenditure data for the CERP in Afghanistan: Provided further, That, not less than 15 days before making funds available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein for a project with a total anticipated cost for completion of $500,000 or more, the Secretary shall submit to the congressional defense committees a written notice containing each of the following: (1) The location, nature and purpose of the proposed project, including how the project is intended to advance the military campaign plan for the country in which it is to be carried out. (2) The budget, implementation timeline with milestones, and completion date for the proposed project, including any other CERP funding that has been or is anticipated to be contributed to the completion of the project. (3) A plan for the sustainment of the proposed project, including the agreement with either the host nation, a non- Department of Defense agency of the United States Government or a third-party contributor to finance the sustainment of the activities and maintenance of any equipment or facilities to be provided through the proposed project. Sec. 9006. Funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to allied forces participating in a combined operation with the armed forces of the United States and coalition forces supporting military and stability operations in Afghanistan and to counter the Islamic State of Iraq and Syria: Provided, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section. Sec. 9007. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows: [[Page H8276]] (1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq. (2) To exercise United States control over any oil resource of Iraq. (3) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Afghanistan. Sec. 9008. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984): (1) Section 2340A of title 18, United States Code. (2) Section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations. (3) Sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148). Sec. 9009. None of the funds provided for the ``Afghanistan Security Forces Fund'' (ASFF) may be obligated prior to the approval of a financial and activity plan by the Afghanistan Resources Oversight Council (AROC) of the Department of Defense: Provided, That the AROC must approve the requirement and acquisition plan for any service requirements in excess of $50,000,000 annually and any non- standard equipment requirements in excess of $100,000,000 using ASFF: Provided further, That the Department of Defense must certify to the congressional defense committees that the AROC has convened and approved a process for ensuring compliance with the requirements in the preceding proviso and accompanying report language for the ASFF. Sec. 9010. Funds made available in this title to the Department of Defense for operation and maintenance may be used to purchase items having an investment unit cost of not more than $250,000: Provided, That, upon determination by the Secretary of Defense that such action is necessary to meet the operational requirements of a Commander of a Combatant Command engaged in contingency operations overseas, such funds may be used to purchase items having an investment item unit cost of not more than $500,000. Sec. 9011. Up to $500,000,000 of funds appropriated by this Act for the Defense Security Cooperation Agency in ``Operation and Maintenance, Defense-Wide'' may be used to provide assistance to the Government of Jordan to support the armed forces of Jordan and to enhance security along its borders. Sec. 9012. None of the funds made available by this Act under the heading ``Counter-ISIS Train and Equip Fund'' may be used to procure or ***transfer*** man-portable air defense systems. Sec. 9013. For the ``Ukraine Security Assistance Initiative'', $250,000,000 is hereby appropriated, to remain available until September 30, 2019: Provided, That such funds shall be available to the Secretary of Defense, in coordination with the Secretary of State, to provide assistance, including training; equipment; lethal assistance; logistics support, supplies and services; sustainment; and intelligence support to the military and national security forces of Ukraine, and for replacement of any weapons or articles provided to the Government of Ukraine from the inventory of the United States: Provided further, That of the amounts made available in this section, $50,000,000 shall be available only for lethal assistance described in paragraphs (2) and (3) of section 1250(b) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92; 129 Stat. 1068): Provided further, That the Secretary of Defense shall, not less than 15 days prior to obligating funds provided under this heading, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was ***transferred*** to the security forces of Ukraine and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet ***transferred*** to the military or National Security Forces of Ukraine or returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Sec. 9014. Funds appropriated in this title shall be available for replacement of funds for items provided to the Government of Ukraine from the inventory of the United States to the extent specifically provided for in section 9013 of this Act. Sec. 9015. None of the funds made available by this Act under section 9013 may be used to procure or ***transfer*** man- portable air defense systems. Sec. 9016. Equipment procured using funds provided in prior Acts under the heading ``Counterterrorism Partnerships Fund'' for the ***program*** authorized by section 1209 of the Carl Levin and Howard P. ``Buck'' McKeon National Defense Authorization Act for Fiscal ***Year*** 2015 (Public Law 113-291), and not yet ***transferred*** to authorized recipients may be ***transferred*** to foreign security forces, irregular forces, groups, or individuals, authorized to receive assistance using amounts provided under the heading ``Counter-ISIS Train and Equip Fund'' in this Act: Provided, That such equipment may be ***transferred*** 15 days following written notification to the congressional defense committees. Sec. 9017. (a) None of the funds appropriated or otherwise made available by this Act under the heading ``Operation and Maintenance, Defense-Wide'' for ***payments*** under section 1233 of Public Law 110-181 for reimbursement to the Government of Pakistan may be made available unless the Secretary of Defense, in coordination with the Secretary of State, certifies to the congressional defense committees that the Government of Pakistan is-- (1) cooperating with the United States in counterterrorism efforts against the Haqqani Network, the Quetta Shura Taliban, Lashkar e-Tayyiba, Jaish-e-Mohammed, Al Qaeda, and other domestic and foreign terrorist organizations, including taking steps to end support for such groups and prevent them from basing and operating in Pakistan and carrying out cross border attacks into neighboring countries; (2) not supporting terrorist activities against United States or coalition forces in Afghanistan, and Pakistan's military and intelligence agencies are not intervening extra- judicially into political and judicial processes in Pakistan; (3) dismantling improvised explosive device (IED) networks and interdicting precursor chemicals used in the manufacture of IEDs; (4) preventing the proliferation of nuclear-related material and expertise; (5) implementing policies to protect judicial independence and due process of law; (6) issuing visas in a timely manner for United States visitors engaged in counterterrorism efforts and assistance ***programs*** in Pakistan; and (7) providing humanitarian organizations access to detainees, internally displaced persons, and other Pakistani civilians affected by the conflict. (b) The Secretary of Defense, in coordination with the Secretary of State, may waive the restriction in subsection (a) on a case-by-case basis by certifying in writing to the congressional defense committees that it is in the national security interest to do so: Provided, That if the Secretary of Defense, in coordination with the Secretary of State, exercises such waiver authority, the Secretaries shall report to the congressional defense committees on both the justification for the waiver and on the requirements of this section that the Government of Pakistan was not able to meet: Provided further, That such report may be submitted in classified form if necessary. (including ***transfer*** of funds) Sec. 9018. In addition to amounts otherwise made available in this Act, $500,000,000 is hereby appropriated to the Department of Defense and made available for ***transfer*** only to the operation and maintenance, military personnel, and procurement accounts, to improve the intelligence, surveillance, and reconnaissance capabilities of the Department of Defense: Provided, That the ***transfer*** authority provided in this section is in addition to any other ***transfer*** authority provided elsewhere in this Act: Provided further, That not later than 30 days prior to exercising the ***transfer*** authority provided in this section, the Secretary of Defense shall submit a report to the congressional defense committees on the proposed uses of these funds: Provided further, That the funds provided in this section may not be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the authority to provide funding under this section shall terminate on September 30, 2019. Sec. 9019. None of the funds made available by this Act may be used with respect to Syria in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.), including for the introduction of United States armed or military forces into hostilities in Syria, into situations in Syria where imminent involvement in hostilities is clearly indicated by the circumstances, or into Syrian territory, airspace, or waters while equipped for combat, in contravention of the congressional consultation and reporting requirements of sections 3 and 4 of that law (50 U.S.C 1542 and 1543). Sec. 9020. None of the funds in this Act may be made available for the ***transfer*** of additional C-130 cargo aircraft to the Afghanistan National Security Forces or the Afghanistan Air Force until the Department of Defense provides a report to the congressional defense committees of the Afghanistan Air Force's medium airlift requirements. The report should identify Afghanistan's ability to utilize and maintain existing medium lift aircraft in the inventory and the best alternative platform, if necessary, to provide additional support to the Afghanistan Air Force's current medium airlift capacity. (rescissions) Sec. 9021. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and ***programs*** in the specified amounts: Provided, That such amounts are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985: ``Procurement of Ammunition, Navy and Marine Corps'', 2017/ 2019, $2,216,000; ``Operation and Maintenance, Defense-Wide: Coalition Support Fund'', 2018/2019, $800,000,000; [[Page H8277]] ``Operation and Maintenance, Defense-Wide: DSCA Security Cooperation'', 2018/2019, $150,000,000; ``Counter-ISIS Train and Equip Fund'', 2018/2019, $300,000,000; and ``Aircraft Procurement, Air Force'', 2018/2020, $88,400,000. Sec. 9022. Funds available for the Afghanistan Security Forces Fund may be used to provide limited training, equipment, and other assistance that would otherwise be prohibited by 10 U.S.C 362 to a unit of the security forces of Afghanistan only if the Secretary certifies to the congressional defense committees, within 30 days of a decision to provide such assistance, that (1) a denial of such assistance would present significant risk to U.S or coalition forces or significantly undermine United States national security objectives in Afghanistan; and (2) the Secretary has sought a commitment by the Government of Afghanistan to take all necessary corrective steps: Provided, That such certification shall be accompanied by a report describing: (1) the information relating to the gross violation of human rights; (2) the circumstances that necessitated the provision of such assistance; (3) the Afghan security force unit involved; (4) the assistance provided and the assistance withheld; and (5) the corrective steps to be taken by the Government of Afghanistan: Provided further, That every 120 days after the initial report an additional report shall be submitted detailing the status of any corrective steps taken by the Government of Afghanistan: Provided further, That if the Government of Afghanistan has not initiated necessary corrective steps within one ***year*** of the certification, the authority under this section to provide assistance to such unit shall no longer apply: Provided further, That the Secretary shall submit a report to such committees detailing the final disposition of the case by the Government of Afghanistan. Sec. 9023. Each amount designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available (or rescinded, if applicable) only if the President subsequently so designates all such amounts and transmits such designations to the Congress. This division may be cited as the ``Department of Defense Appropriations Act, 2019''. DIVISION B--DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 TITLE I DEPARTMENT OF LABOR Employment and Training Administration training and employment services For necessary expenses of the Workforce Innovation and Opportunity Act (referred to in this Act as ``WIOA''), the Second Chance Act of 2007, and the National Apprenticeship Act, $3,502,700,000, plus reimbursements, shall be available. Of the amounts provided: (1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, $2,789,832,000 as follows: (A) $845,556,000 for adult employment and training activities, of which $133,556,000 shall be available for the period July 1, 2019 through June 30, 2020, and of which $712,000,000 shall be available for the period October 1, 2019 through June 30, 2020; (B) $903,416,000 for youth activities, which shall be available for the period April 1, 2019 through June 30, 2020; and (C) $1,040,860,000 for dislocated worker employment and training activities, of which $180,860,000 shall be available for the period July 1, 2019 through June 30, 2020, and of which $860,000,000 shall be available for the period October 1, 2019 through June 30, 2020: Provided, That the funds available for allotment to outlying areas to carry out subtitle B of title I of the WIOA shall not be subject to the requirements of section 127(b)(1)(B)(ii) of such Act; and (2) for national ***programs***, $712,868,000 as follows: (A) $220,859,000 for the dislocated workers assistance national reserve, of which $20,859,000 shall be available for the period July 1, 2019 through September 30, 2020, and of which $200,000,000 shall be available for the period October 1, 2019 through September 30, 2020: Provided, That funds provided to carry out section 132(a)(2)(A) of the WIOA may be used to provide assistance to a State for statewide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: Provided further, That funds provided to carry out sections 168(b) and 169(c) of the WIOA may be used for technical assistance and demonstration projects, respectively, that provide assistance to new entrants in the workforce and incumbent worker: Provided further, That notwithstanding section 168(b) of the WIOA, of the funds provided under this subparagraph, the Secretary of Labor (referred to in this title as ``Secretary'') may reserve not more than 10 percent of such funds to provide technical assistance and carry out additional activities related to the transition to the WIOA: Provided further, That of the funds provided under this subparagraph, $30,000,000 shall be for training and employment assistance under sections 168(b), 169(c) (notwithstanding the 10 percent limitation in such section) and 170 of the WIOA for workers in the Appalachian region, as defined by 40 U.S.C 14102(a)(1) and workers in the Lower Mississippi, as defined in section 4(2) of the Delta Development Act (Public Law 100-460, 102 Stat. 2246; 7 U.S.C 2009aa(2)); (B) $54,500,000 for Native American ***programs*** under section 166 of the WIOA, which shall be available for the period July 1, 2019 through June 30, 2020; (C) $88,896,000 for migrant and seasonal farmworker ***programs*** under section 167 of the WIOA, including $82,447,000 for formula grants (of which not less than 70 percent shall be for employment and training services), $5,922,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and $527,000 for other discretionary purposes, which shall be available for the period July 1, 2019 through June 30, 2020: Provided, That notwithstanding any other provision of law or related regulation, the Department of Labor shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services; (D) $89,534,000 for YouthBuild activities as described in section 171 of the WIOA, which shall be available for the period April 1, 2019 through June 30, 2020; (E) $93,079,000 for ex-offender activities, under the authority of section 169 of the WIOA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2019 through June 30, 2020: Provided, That of this amount, $25,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas; (F) $6,000,000 for the Workforce Data Quality Initiative, under the authority of section 169 of the WIOA, which shall be available for the period July 1, 2019 through June 30, 2020; and (G) $160,000,000 to expand opportunities relating to apprenticeship ***programs*** registered under the National Apprenticeship Act, to be available to the Secretary to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, which shall be available for the period April 1, 2019 through June 30, 2020. job corps (including ***transfer*** of funds) To carry out subtitle C of title I of the WIOA, including Federal administrative expenses, the purchase and hire of passenger motor vehicles, the construction, alteration, and repairs of buildings and other facilities, and the purchase of real property for training centers as authorized by the WIOA, $1,718,655,000, plus reimbursements, as follows: (1) $1,603,325,000 for Job Corps Operations, which shall be available for the period July 1, 2019 through June 30, 2020; (2) $83,000,000 for construction, rehabilitation and acquisition of Job Corps Centers, which shall be available for the period July 1, 2019 through June 30, 2022, and which may include the acquisition, maintenance, and repair of major items of equipment: Provided, That the Secretary may ***transfer*** up to 15 percent of such funds to meet the operational needs of such centers or to achieve administrative efficiencies: Provided further, That any funds ***transferred*** pursuant to the preceding provision shall not be available for obligation after June 30, 2020: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***; and (3) $32,330,000 for necessary expenses of Job Corps, which shall be available for obligation for the period October 1, 2018 through September 30, 2019: Provided, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers. community service employment for older americans To carry out title V of the Older Americans Act of 1965 (referred to in this Act as ``OAA''), $400,000,000, which shall be available for the period April 1, 2019 through June 30, 2020, and may be recaptured and reobligated in accordance with section 517(c) of the OAA. federal unemployment benefits and allowances For ***payments*** during fiscal ***year*** 2019 of trade adjustment benefit ***payments*** and allowances under part I of subchapter B of chapter 2 of title II of the Trade Act of 1974, and section 246 of that Act; and for training, employment and case management services, allowances for job search and relocation, and related State administrative expenses under part II of subchapter B of chapter 2 of title II of the Trade Act of 1974, and including benefit ***payments***, allowances, training, employment and case management services, and related State administration provided pursuant to section 231(a) of the Trade Adjustment Assistance Extension Act of 2011 and section 405(a) of the Trade Preferences Extension Act of 2015, $790,000,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for ***payments*** for any period subsequent to September 15, 2019: Provided, That notwithstanding section 502 of this Act, any part of the appropriation provided under this heading may remain available for obligation beyond the current fiscal ***year*** pursuant to the authorities of section 245(c) of the Trade Act of 1974 (19 U.S.C 2317(c)). state unemployment insurance and employment service operations For authorized administrative expenses, $84,066,000, together with not to exceed $3,251,583,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund (``the Trust Fund''), of which: (1) $2,515,816,000 from the Trust Fund is for grants to States for the administration of State [[Page H8278]] unemployment insurance laws as authorized under title III of the Social Security Act (including not less than $150,000,000 to carry out reemployment services and eligibility assessments under section 306 of such Act, any claimants of regular compensation, as defined in such section, including those who are profiled as most likely to exhaust their benefits, may be eligible for such services and assessments: Provided, That of such amount, $117,000,000 is specified for grants under section 306 of the Social Security Act and is provided to meet the terms of section 251(b)(2)(E)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and $33,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(E)(i)(II) of such Act; and $9,000,000 for continued support of the Unemployment Insurance Integrity Center of Excellence), the administration of unemployment insurance for Federal employees and for ex- service members as authorized under 5 U.S.C 8501-8523, and the administration of trade readjustment allowances, reemployment trade adjustment assistance, and alternative trade adjustment assistance under the Trade Act of 1974 and under section 231(a) of the Trade Adjustment Assistance Extension Act of 2011 and section 405(a) of the Trade Preferences Extension Act of 2015, and shall be available for obligation by the States through December 31, 2019, except that funds used for automation shall be available for Federal obligation through December 31, 2019, and for State obligation through September 30, 2021, or, if the automation is being carried out through consortia of States, for State obligation through September 30, 2024, and for expenditure through September 30, 2025, and funds for competitive grants awarded to States for improved operations and to conduct in- person reemployment and eligibility assessments and unemployment insurance improper ***payment*** reviews and provide reemployment services and referrals to training, as appropriate, shall be available for Federal obligation through December 31, 2019, and for obligation by the States through September 30, 2021, and funds for the Unemployment Insurance Integrity Center of Excellence shall be available for obligation by the State through September 30, 2020, and funds used for unemployment insurance workloads experienced through September 30, 2019 shall be available for Federal obligation through December 31, 2019; (2) $12,000,000 from the Trust Fund is for national activities necessary to support the administration of the Federal-State unemployment insurance system; (3) $641,639,000 from the Trust Fund, together with $21,413,000 from the General Fund of the Treasury, is for grants to States in accordance with section 6 of the Wagner- Peyser Act, and shall be available for Federal obligation for the period July 1, 2019 through June 30, 2020; (4) $19,818,000 from the Trust Fund is for national activities of the Employment Service, including administration of the work opportunity tax credit under section 51 of the Internal Revenue Code of 1986, and the provision of technical assistance and staff training under the Wagner-Peyser Act; (5) $62,310,000 from the Trust Fund is for the administration of foreign labor certifications and related activities under the Immigration and Nationality Act and related laws, of which $48,028,000 shall be available for the Federal administration of such activities, and $14,282,000 shall be available for grants to States for the administration of such activities; and (6) $62,653,000 from the General Fund is to provide workforce information, national electronic tools, and one- stop system building under the Wagner-Peyser Act and shall be available for Federal obligation for the period July 1, 2019 through June 30, 2020: Provided, That to the extent that the Average Weekly Insured Unemployment (``AWIU'') for fiscal ***year*** 2019 is projected by the Department of Labor to exceed 2,030,000, an additional $28,600,000 from the Trust Fund shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) to carry out title III of the Social Security Act: Provided further, That funds appropriated in this Act that are allotted to a State to carry out activities under title III of the Social Security Act may be used by such State to assist other States in carrying out activities under such title III if the other States include areas that have suffered a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided further, That the Secretary may use funds appropriated for grants to States under title III of the Social Security Act to make ***payments*** on behalf of States for the use of the National Directory of New Hires under section 453(j)(8) of such Act: Provided further, That the Secretary may use funds appropriated for grants to States under title III of the Social Security Act to make ***payments*** on behalf of States to the entity operating the State Information Data Exchange System: Provided further, That funds appropriated in this Act which are used to establish a national one-stop career center system, or which are used to support the national activities of the Federal-State unemployment insurance, employment service, or immigration ***programs***, may be obligated in contracts, grants, or agreements with States and non-State entities: Provided further, That States awarded competitive grants for improved operations under title III of the Social Security Act, or awarded grants to support the national activities of the Federal-State unemployment insurance system, may award subgrants to other States and non-State entities under such grants, subject to the conditions applicable to the grants: Provided further, That funds appropriated under this Act for activities authorized under title III of the Social Security Act and the Wagner-Peyser Act may be used by States to fund integrated Unemployment Insurance and Employment Service automation efforts, notwithstanding cost allocation principles prescribed under the final rule entitled ``Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards'' at part 200 of title 2, Code of Federal Regulations: Provided further, That the Secretary, at the request of a State participating in a consortium with other States, may reallot funds allotted to such State under title III of the Social Security Act to other States participating in the consortium or to the entity operating the Unemployment Insurance Information Technology Support Center in order to carry out activities that benefit the administration of the unemployment compensation law of the State making the request: Provided further, That the Secretary may collect fees for the costs associated with additional data collection, analyses, and reporting services relating to the National ***Agricultural*** Workers Survey requested by State and local governments, public and private institutions of higher education, and nonprofit organizations and may utilize such sums, in accordance with the provisions of 29 U.S.C 9a, for the National ***Agricultural*** Workers Survey infrastructure, methodology, and data to meet the information collection and reporting needs of such entities, which shall be credited to this appropriation and shall remain available until September 30, 2020, for such purposes. advances to the unemployment trust fund and other funds For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1986; and for nonrepayable advances to the revolving fund established by section 901(e) of the Social Security Act, to the Unemployment Trust Fund as authorized by 5 U.S.C 8509, and to the ``Federal Unemployment Benefits and Allowances'' account, such sums as may be necessary, which shall be available for obligation through September 30, 2020. ***program*** administration For expenses of administering employment and training ***programs***, $108,674,000, together with not to exceed $49,982,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund. Employee Benefits Security Administration salaries and expenses For necessary expenses for the Employee Benefits Security Administration, $181,000,000, of which up to $3,000,000 shall be made available through September 30, 2020, for the procurement of expert witnesses for enforcement litigation. Pension Benefit Guaranty Corporation pension benefit guaranty corporation fund The Pension Benefit Guaranty Corporation (``Corporation'') is authorized to make such expenditures, including financial assistance authorized by subtitle E of title IV of the Employee Retirement Income Security Act of 1974, within limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal ***year*** limitations, as provided by 31 U.S.C 9104, as may be necessary in carrying out the ***program***, including associated administrative expenses, through September 30, 2019, for the Corporation: Provided, That none of the funds available to the Corporation for fiscal ***year*** 2019 shall be available for obligations for administrative expenses in excess of $445,363,000: Provided further, That to the extent that the number of new plan participants in plans terminated by the Corporation exceeds 100,000 in fiscal ***year*** 2019, an amount not to exceed an additional $9,200,000 shall be available through September 30, 2020, for obligation for administrative expenses for every 20,000 additional terminated participants: Provided further, That obligations in excess of the amounts provided in this paragraph may be incurred for unforeseen and extraordinary pretermination expenses or extraordinary multiemployer ***program*** related expenses after approval by the Office of Management and Budget and notification of the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That an additional amount shall be available for obligation through September 30, 2020 to the extent the Corporation's costs exceed $250,000 for the provision of credit or identity monitoring to affected individuals upon suffering a security incident or privacy breach, not to exceed an additional $100 per affected individual. Wage and Hour Division salaries and expenses For necessary expenses for the Wage and Hour Division, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $229,000,000. Office of Labor-Management Standards salaries and expenses For necessary expenses for the Office of Labor-Management Standards, $41,187,000. Office of Federal Contract Compliance ***Programs*** salaries and expenses For necessary expenses for the Office of Federal Contract Compliance ***Programs***, $103,476,000. Office of Workers' Compensation ***Programs*** salaries and expenses For necessary expenses for the Office of Workers' Compensation ***Programs***, $115,424,000, together with $2,177,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44(j) of the Longshore and Harbor Workers' Compensation Act. [[Page H8279]] special benefits (including ***transfer*** of funds) For the ***payment*** of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal ***year*** authorized by 5 U.S.C 81; continuation of benefits as provided for under the heading ``Civilian War Benefits'' in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; section 5(f) of the War Claims Act (50 U.S.C App. 2012); obligations incurred under the War Hazards Compensation Act (42 U.S.C 1701 et seq.); and 50 percent of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, $230,000,000, together with such amounts as may be necessary to be charged to the subsequent ***year*** appropriation for the ***payment*** of compensation and other benefits for any period subsequent to August 15 of the current ***year***, for deposit into and to assume the attributes of the Employees' Compensation Fund established under 5 U.S.C 8147(a): Provided, That amounts appropriated may be used under 5 U.S.C 8104 by the Secretary to reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a re-employed, disabled beneficiary: Provided further, That balances of reimbursements unobligated on September 30, 2018, shall remain available until expended for the ***payment*** of compensation, benefits, and expenses: Provided further, That in addition there shall be ***transferred*** to this appropriation from the Postal Service and from any other corporation or instrumentality required under 5 U.S.C 8147(c) to pay an amount for its fair share of the cost of administration, such sums as the Secretary determines to be the cost of administration for employees of such fair share entities through September 30, 2019: Provided further, That of those funds ***transferred*** to this account from the fair share entities to pay the cost of administration of the Federal Employees' Compensation Act, $74,777,000 shall be made available to the Secretary as follows: (1) For enhancement and maintenance of automated data processing systems operations and telecommunications systems, $24,540,000; (2) For automated workload processing operations, including document imaging, centralized mail intake, and medical bill processing, $22,968,000; (3) For periodic roll disability management and medical review, $25,535,000; (4) For ***program*** integrity, $1,734,000; and (5) The remaining funds shall be paid into the Treasury as miscellaneous receipts: Provided further, That the Secretary may require that any person filing a notice of injury or a claim for benefits under 5 U.S.C 81, or the Longshore and Harbor Workers' Compensation Act, provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe. special benefits for disabled coal miners For carrying out title IV of the Federal Mine Safety and Health Act of 1977, as amended by Public Law 107-275, $10,319,000, to remain available until expended. For making after July 31 of the current fiscal ***year***, benefit ***payments*** to individuals under title IV of such Act, for costs incurred in the current fiscal ***year***, such amounts as may be necessary. For making benefit ***payments*** under title IV for the first quarter of fiscal ***year*** 2020, $14,000,000, to remain available until expended. administrative expenses, energy employees occupational illness compensation fund For necessary expenses to administer the Energy Employees Occupational Illness Compensation ***Program*** Act, $59,098,000, to remain available until expended: Provided, That the Secretary may require that any person filing a claim for benefits under the Act provide as part of such claim such identifying information (including Social Security account number) as may be prescribed. black lung disability trust fund (including ***transfer*** of funds) Such sums as may be necessary from the Black Lung Disability Trust Fund (the ``Fund''), to remain available until expended, for ***payment*** of all benefits authorized by section 9501(d)(1), (2), (6), and (7) of the Internal Revenue Code of 1986; and repayment of, and ***payment*** of interest on advances, as authorized by section 9501(d)(4) of that Act. In addition, the following amounts may be expended from the Fund for fiscal ***year*** 2019 for expenses of operation and administration of the Black Lung Benefits ***program***, as authorized by section 9501(d)(5): not to exceed $38,246,000 for ***transfer*** to the Office of Workers' Compensation ***Programs***, ``Salaries and Expenses''; not to exceed $31,994,000 for ***transfer*** to Departmental Management, ``Salaries and Expenses''; not to exceed $330,000 for ***transfer*** to Departmental Management, ``Office of Inspector General''; and not to exceed $356,000 for ***payments*** into miscellaneous receipts for the expenses of the Department of the Treasury. Occupational Safety and Health Administration salaries and expenses For necessary expenses for the Occupational Safety and Health Administration, $557,787,000, including not to exceed $102,350,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act (the ``Act''), which grants shall be no less than 50 percent of the costs of State occupational safety and health ***programs*** required to be incurred under plans approved by the Secretary under section 18 of the Act; and, in addition, notwithstanding 31 U.S.C 3302, the Occupational Safety and Health Administration may retain up to $499,000 per fiscal ***year*** of training institute course tuition and fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education: Provided, That notwithstanding 31 U.S.C 3302, the Secretary is authorized, during the fiscal ***year*** ending September 30, 2019, to collect and retain fees for services provided to Nationally Recognized Testing Laboratories, and may utilize such sums, in accordance with the provisions of 29 U.S.C 9a, to administer national and international laboratory recognition ***programs*** that ensure the safety of equipment and products used by workers in the workplace: Provided further, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Act which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: Provided further, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Act with respect to any employer of 10 or fewer employees who is included within a category having a Days Away, Restricted, or ***Transferred*** (``DART'') occupational injury and illness rate, at the most precise industrial classification code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of the Act, except-- (1) to provide, as authorized by the Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies; (2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found; (3) to take any action authorized by the Act with respect to imminent dangers; (4) to take any action authorized by the Act with respect to health hazards; (5) to take any action authorized by the Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by the Act; and (6) to take any action authorized by the Act with respect to complaints of discrimination against employees for exercising rights under the Act: Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees: Provided further, That $10,537,000 shall be available for Susan Harwood training grants, of which the Secretary shall reserve not less than $4,500,000 for Susan Harwood Training Capacity Building Developmental grants, as described in Funding Opportunity Number SHTG-FY-16-02 (referenced in the notice of availability of funds published in the Federal Register on May 3, 2016 (81 Fed. Reg. 30568)) for ***program*** activities starting not later than September 30, 2019 and lasting for a period of 12 months: Provided further, That not less than $3,500,000 shall be for Voluntary Protection ***Programs***. Mine Safety and Health Administration salaries and expenses For necessary expenses for the Mine Safety and Health Administration, $373,816,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles, including up to $2,000,000 for mine rescue and recovery activities and not less than $10,537,000 for State assistance grants: Provided, That amounts available for State assistance grants may be used for the purchase and maintenance of new equipment required by the final rule entitled ``Lowering Miners' Exposure to Respirable Coal Mine Dust, Including Continuous Personal Dust Monitors'' published by the Department of Labor in the Federal Register on May 1, 2014 (79 Fed. Reg. 24813 et seq.), for operators that demonstrate financial need as determined by the Secretary: Provided further, That notwithstanding 31 U.S.C 3302, not to exceed $750,000 may be collected by the National Mine Health and Safety Academy for room, board, tuition, and the sale of training materials, otherwise authorized by law to be collected, to be available for mine safety and health education and training activities: Provided further, That notwithstanding 31 U.S.C 3302, the Mine Safety and Health Administration is authorized to collect and retain up to $2,499,000 from fees collected for the approval and certification of equipment, materials, and explosives for use in mines, and may utilize such sums for such activities: Provided further, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: Provided further, That the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative ***programs*** with States, industry, and safety associations: Provided further, That the Secretary is authorized to recognize the Joseph A. Holmes Safety Association as a principal safety association and, notwithstanding any other provision of law, may provide funds and, with or without reimbursement, personnel, including service of Mine Safety and Health Administration officials as officers in local chapters or in the national [[Page H8280]] organization: Provided further, That any funds available to the Department of Labor may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster. Bureau of Labor Statistics salaries and expenses For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $550,000,000, together with not to exceed $65,000,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund. Office of Disability Employment Policy salaries and expenses For necessary expenses for the Office of Disability Employment Policy to provide leadership, develop policy and initiatives, and award grants furthering the objective of eliminating barriers to the training and employment of people with disabilities, $38,203,000. Departmental Management salaries and expenses (including ***transfer*** of funds) For necessary expenses for Departmental Management, including the hire of three passenger motor vehicles, $337,756,000, together with not to exceed $308,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: Provided, That $59,825,000 for the Bureau of International Labor Affairs shall be available for obligation through December 31, 2019: Provided further, That funds available to the Bureau of International Labor Affairs may be used to administer or operate international labor activities, bilateral and multilateral technical assistance, and microfinance ***programs***, by or through contracts, grants, subgrants and other arrangements: Provided further, That not more than $53,825,000 shall be for ***programs*** to combat exploitative child labor internationally and not less than $6,000,000 shall be used to implement model ***programs*** that address worker rights issues through technical assistance in countries with which the United States has free trade agreements or trade preference ***programs***: Provided further, That $8,040,000 shall be used for ***program*** evaluation and shall be available for obligation through September 30, 2020: Provided further, That funds available for ***program*** evaluation may be used to administer grants for the purpose of evaluation: Provided further, That grants made for the purpose of evaluation shall be awarded through fair and open competition: Provided further, That funds available for ***program*** evaluation may be ***transferred*** to any other appropriate account in the Department for such purpose: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***: Provided further, That the funds available to the Women's Bureau may be used for grants to serve and promote the interests of women in the workforce: Provided further, That of the amounts made available to the Women's Bureau, not less than $994,000 shall be used for grants authorized by the Women in Apprenticeship and Nontraditional Occupations Act. veterans employment and training Not to exceed $250,041,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of chapters 41, 42, and 43 of title 38, United States Code, of which: (1) $180,000,000 is for Jobs for Veterans State grants under 38 U.S.C 4102A(b)(5) to support disabled veterans' outreach ***program*** specialists under section 4103A of such title and local veterans' employment representatives under section 4104(b) of such title, and for the expenses described in section 4102A(b)(5)(C), which shall be available for obligation by the States through December 31, 2019, and not to exceed 3 percent for the necessary Federal expenditures for data systems and contract support to allow for the tracking of participant and performance information: Provided, That, in addition, such funds may be used to support such specialists and representatives in the provision of services to transitioning members of the Armed Forces who have participated in the Transition Assistance ***Program*** and have been identified as in need of intensive services, to members of the Armed Forces who are wounded, ill, or injured and receiving treatment in military treatment facilities or warrior transition units, and to the spouses or other family caregivers of such wounded, ill, or injured members; (2) $23,379,000 is for carrying out the Transition Assistance ***Program*** under 38 U.S.C 4113 and 10 U.S.C 1144: Provided, That not more than $3,500,000 shall be used by the Secretary, in consultation with the Secretary of Defense and the Secretary of the Veterans Affairs, to carry out a pilot project designed to prepare transitioning service members to qualify for, and to assist in placing them in, apprenticeship ***programs***, as an additional training opportunity under subsection (f) of 10 U.S.C 1144, including the costs of federal administration and evaluation of such pilot, and that the funds shall remain available for the pilot through September 30, 2020; (3) $43,248,000 is for Federal administration of chapters 41, 42, and 43 of title 38, and sections 2021, 2021A and 2023 of title 38, United States Code: Provided, That, up to $500,000 may be used to carry out the Hire VETS Act (division O of Public Law 115-31); and (4) $3,414,000 is for the National Veterans' Employment and Training Services Institute under 38 U.S.C 4109: Provided, That the Secretary may reallocate among the appropriations provided under paragraphs (1) through (4) above an amount not to exceed 3 percent of the appropriation from which such reallocation is made. In addition, from the General Fund of the Treasury, $50,000,000 is for carrying out ***programs*** to assist homeless veterans and veterans at risk of homelessness who are transitioning from certain institutions under sections 2021, 2021A, and 2023 of title 38, United States Code: Provided, That notwithstanding subsections (c)(3) and (d) of section 2023, the Secretary may award grants through September 30, 2019, to provide services under such section: Provided further, That services provided under sections 2021 or under 2021A may include, in addition to services to homeless veterans described in section 2002(a)(1), services to veterans who were homeless at some point within the 60 days prior to ***program*** entry or veterans who are at risk of homelessness within the next 60 days, and that services provided under section 2023 may include, in addition to services to the individuals described in subsection (e) of such section, services to veterans recently released from incarceration who are at risk of homelessness: Provided further, That notwithstanding paragraph (3) under this heading, funds appropriated in this paragraph may be used for data systems and contract support to allow for the tracking of participant and performance information: Provided further, That notwithstanding sections 2021(e)(2) and 2021A(f)(2) of title 38, United States Code, such funds shall be available for expenditure pursuant to 31 U.S.C 1553. In addition, fees may be assessed and deposited in the HIRE Vets Medallion Award Fund pursuant to section 5(b) of the HIRE Vets Act, and such amounts shall be available to the Secretary to carry out the HIRE Vets Medallion Award ***Program***, as authorized by such Act, and shall remain available until expended: Provided, That such sums shall be in addition to any other funds available for such purposes, including funds available under paragraph (3) of this heading: Provided further, That section 2(d) of division O of the Consolidated Appropriations Act, 2017 (Public Law 115-31; 38 U.S.C 4100 note) shall not apply. it modernization For necessary expenses for Department of Labor centralized infrastructure technology investment activities related to support systems and modernization, $23,269,000, which shall be available through September 30, 2020. office of inspector general For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $83,487,000, together with not to exceed $5,660,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund. General Provisions Sec. 101. None of the funds appropriated by this Act for the Job Corps shall be used to pay the salary and bonuses of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of Executive Level II. (***transfer*** of funds) Sec. 102. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the current fiscal ***year*** for the Department of Labor in this Act may be ***transferred*** between a ***program***, project, or activity, but no such ***program***, project, or activity shall be increased by more than 3 percent by any such ***transfer***: Provided, That the ***transfer*** authority granted by this section shall not be used to create any new ***program*** or to fund any project or activity for which no funds are provided in this Act: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***. Sec. 103. In accordance with Executive Order 13126, none of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended for the procurement of goods mined, produced, manufactured, or harvested or services rendered, in whole or in part, by forced or indentured child labor in industries and host countries already identified by the United States Department of Labor prior to enactment of this Act. Sec. 104. Except as otherwise provided in this section, none of the funds made available to the Department of Labor for grants under section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C 2916a) may be used for any purpose other than competitive grants for training individuals who are older than 16 ***years*** of age and are not currently enrolled in school within a local educational agency in the occupations and industries for which employers are using H-1B visas to hire foreign workers, and the related activities necessary to support such training. Sec. 105. None of the funds made available by this Act under the heading ``Employment and Training Administration'' shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in Office of Management and Budget Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer Federal ***programs*** involved including Employment and Training Administration ***programs***. (***transfer*** of funds) Sec. 106. (a) Notwithstanding section 102, the Secretary may ***transfer*** funds made available to [[Page H8281]] the Employment and Training Administration by this Act, either directly or through a set-aside, for technical assistance services to grantees to ``***Program*** Administration'' when it is determined that those services will be more efficiently performed by Federal employees: Provided, That this section shall not apply to section 171 of the WIOA. (b) Notwithstanding section 102, the Secretary may ***transfer*** not more than 0.5 percent of each discretionary appropriation made available to the Employment and Training Administration by this Act to ``***Program*** Administration'' in order to carry out ***program*** integrity activities relating to any of the ***programs*** or activities that are funded under any such discretionary appropriations: Provided, That notwithstanding section 102 and the preceding proviso, the Secretary may ***transfer*** not more than 0.5 percent of funds made available in paragraphs (1) and (2) of the ``Office of Job Corps'' account to paragraph (3) of such account to carry out ***program*** integrity activities related to the Job Corps ***program***: Provided further, That funds ***transferred*** under the authority provided by this subsection shall be available for obligation through September 30, 2020. (***transfer*** of funds) Sec. 107. (a) The Secretary may reserve not more than 0.75 percent from each appropriation made available in this Act identified in subsection (b) in order to carry out evaluations of any of the ***programs*** or activities that are funded under such accounts. Any funds reserved under this section shall be ***transferred*** to ``Departmental Management'' for use by the Office of the Chief Evaluation Officer within the Department of Labor, and shall be available for obligation through September 30, 2020: Provided, That such funds shall only be available if the Chief Evaluation Officer of the Department of Labor submits a plan to the Committees on Appropriations of the House of Representatives and the Senate describing the evaluations to be carried out 15 days in advance of any ***transfer***. (b) The accounts referred to in subsection (a) are: ``Training and Employment Services'', ``Job Corps'', ``Community Service Employment for Older Americans'', ``State Unemployment Insurance and Employment Service Operations'', ``Employee Benefits Security Administration'', ``Office of Workers' Compensation ***Programs***'', ``Wage and Hour Division'', ``Office of Federal Contract Compliance ***Programs***'', ``Office of Labor Management Standards'', ``Occupational Safety and Health Administration'', ``Mine Safety and Health Administration'', ``Office of Disability Employment Policy'', funding made available to the ``Bureau of International Labor Affairs'' and ``Women's Bureau'' within the ``Departmental Management, Salaries and Expenses'' account, and ``Veterans Employment and Training''. Sec. 108. (a) Section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C 207) shall be applied as if the following text is part of such section: ``(s)(1) The provisions of this section shall not apply for a period of 2 ***years*** after the occurrence of a major disaster to any employee-- ``(A) employed to adjust or evaluate claims resulting from or relating to such major disaster, by an employer not engaged, directly or through an affiliate, in underwriting, selling, or marketing property, casualty, or liability insurance policies or contracts; ``(B) who receives from such employer on average weekly compensation of not less than $591.00 per week or any minimum weekly amount established by the Secretary, whichever is greater, for the number of weeks such employee is engaged in any of the activities described in subparagraph (C); and ``(C) whose duties include any of the following: ``(i) interviewing insured individuals, individuals who suffered injuries or other damages or losses arising from or relating to a disaster, witnesses, or physicians; ``(ii) inspecting property damage or reviewing factual information to prepare damage estimates; ``(iii) evaluating and making recommendations regarding coverage or compensability of claims or determining liability or value aspects of claims; ``(iv) negotiating settlements; or ``(v) making recommendations regarding litigation. ``(2) The exemption in this subsection shall not affect the exemption provided by section 13(a)(1). ``(3) For purposes of this subsection-- ``(A) the term `major disaster' means any disaster or catastrophe declared or designated by any State or Federal agency or department; ``(B) the term `employee employed to adjust or evaluate claims resulting from or relating to such major disaster' means an individual who timely secured or secures a license required by applicable law to engage in and perform the activities described in clauses (i) through (v) of paragraph (1)(C) relating to a major disaster, and is employed by an employer that maintains worker compensation insurance coverage or protection for its employees, if required by applicable law, and withholds applicable Federal, State, and local income and payroll taxes from the wages, salaries and any benefits of such employees; and ``(C) the term `affiliate' means a company that, by reason of ownership or control of 25 percent or more of the outstanding shares of any class of voting securities of one or more companies, directly or indirectly, controls, is controlled by, or is under common control with, another company.''. (b) This section shall be effective on the date of enactment of this Act. (rescission) Sec. 109. Of the funds made available under the heading ``Employment and Training Administration-Training and Employment Services'' in division H of Public Law 115-141, $53,000,000 is rescinded, to be derived from the amount made available in paragraph (2)(A) under such heading for the period October 1, 2018, through September 30, 2019. Sec. 110. (a) Flexibility With Respect to the Crossing of H-2B Nonimmigrants Working in the Seafood Industry.-- (1) In general.--Subject to paragraph (2), if a petition for H-2B nonimmigrants filed by an employer in the seafood industry is granted, the employer may bring the nonimmigrants described in the petition into the United States at any time during the 120-day period beginning on the start date for which the employer is seeking the services of the nonimmigrants without filing another petition. (2) Requirements for crossings after 90th day.--An employer in the seafood industry may not bring H-2B nonimmigrants into the United States after the date that is 90 days after the start date for which the employer is seeking the services of the nonimmigrants unless the employer-- (A) completes a new assessment of the local labor market by-- (i) listing job orders in local newspapers on 2 separate Sundays; and (ii) posting the job opportunity on the appropriate Department of Labor Electronic Job Registry and at the employer's place of employment; and (B) offers the job to an equally or better qualified United States worker who-- (i) applies for the job; and (ii) will be available at the time and place of need. (3) Exemption from rules with respect to staggering.--The Secretary of Labor shall not consider an employer in the seafood industry who brings H-2B nonimmigrants into the United States during the 120-day period specified in paragraph (1) to be staggering the date of need in violation of section 655.20(d) of title 20, Code of Federal Regulations, or any other applicable provision of law. (b) H-2B Nonimmigrants Defined.--In this section, the term ``H-2B nonimmigrants'' means aliens admitted to the United States pursuant to section 101(a)(15)(H)(ii)(B) of the Immigration and Nationality Act (8 U.S.C 1101(a)(15)(H)(ii)(B)). Sec. 111. The determination of prevailing wage for the purposes of the H-2B ***program*** shall be the greater of--(1) the actual wage level paid by the employer to other employees with similar experience and qualifications for such position in the same location; or (2) the prevailing wage level for the occupational classification of the position in the geographic area in which the H-2B nonimmigrant will be employed, based on the best information available at the time of filing the petition. In the determination of prevailing wage for the purposes of the H-2B ***program***, the Secretary shall accept private wage surveys even in instances where Occupational Employment Statistics survey data are available unless the Secretary determines that the methodology and data in the provided survey are not statistically supported. Sec. 112. None of the funds in this Act shall be used to enforce the definition of corresponding employment found in 20 CFR 655.5 or the three-fourths guarantee rule definition found in 20 CFR 655.20, or any references thereto. Further, for the purpose of regulating admission of temporary workers under the H-2B ***program***, the definition of temporary need shall be that provided in 8 CFR 214.2(h)(6)(ii)(B). Sec. 113. Notwithstanding any other provision of law, the Secretary may furnish through grants, cooperative agreements, contracts, and other arrangements, up to $2,000,000 of excess personal property to apprenticeship ***programs*** for the purpose of training apprentices in those ***programs***. Sec. 114. The proviso at the end of paragraph (1) under the heading ``Department of Labor--Employment and Training Administration--State Unemployment Insurance and Employment Service Operations'' in title I of division G of Public Law 113-235 is amended by striking ``six'' and inserting ``seven''. Sec. 115. (a) The Act entitled ``An Act to create a Department of Labor'', approved March 4, 1913 (37 Stat. 736, chapter 141) shall be applied as if the following text is part of such Act: ``SEC. 12. SECURITY DETAIL. ``(a) In General.--The Secretary of Labor is authorized to employ law enforcement officers or special agents to-- ``(1) provide protection for the Secretary of Labor during the workday of the Secretary and during any activity that is preliminary or postliminary to the performance of official duties by the Secretary; ``(2) provide protection, incidental to the protection provided to the Secretary, to a member of the immediate family of the Secretary who is participating in an activity or event relating to the official duties of the Secretary; ``(3) provide continuous protection to the Secretary (including during periods not described in paragraph (1)) and to the members of the immediate family of the Secretary if there is a unique and articulable threat of physical harm, in accordance with guidelines established by the Secretary; and ``(4) provide protection to the Deputy Secretary of Labor or another senior officer representing the Secretary of Labor at a public event if there is a unique and articulable threat of physical harm, in accordance with guidelines established by the Secretary. ``(b) Authorities.--The Secretary of Labor may authorize a law enforcement officer or special agent employed under subsection (a), for the purpose of performing the duties authorized under subsection (a), to-- [[Page H8282]] ``(1) carry firearms; ``(2) make arrests without a warrant for any offense against the United States committed in the presence of such officer or special agent; ``(3) perform protective intelligence work, including identifying and mitigating potential threats and conducting advance work to review security matters relating to sites and events; ``(4) coordinate with local law enforcement agencies; and ``(5) initiate criminal and other investigations into potential threats to the security of the Secretary, in coordination with the Inspector General of the Department of Labor. ``(c) Compliance With Guidelines.--A law enforcement officer or special agent employed under subsection (a) shall exercise any authority provided under this section in accordance with any-- ``(1) guidelines issued by the Attorney General; and ``(2) guidelines prescribed by the Secretary of Labor.''. (b) This section shall be effective on the date of enactment of this Act. Sec. 116. The Secretary is authorized to dispose of or divest, by any means the Secretary determines appropriate, including an agreement or partnership to construct a new Job Corps center, all or a portion of the real property on which the Treasure Island Job Corps Center is situated. Any sale or other disposition will not be subject to any requirement of any Federal law or regulation relating to the disposition of Federal real property, including but not limited to subchapter III of chapter 5 of title 40 of the United States Code and subchapter V of chapter 119 of title 42 of the United States Code. The net proceeds of such a sale shall be ***transferred*** to the Secretary, which shall be available until expended to carry out the Job Corps ***Program***. Sec. 117. (a) The paragraph under the heading ``Working Capital Fund'' in the Department of Labor Appropriations Act, 1958, Public Law 85-67, 71 Stat. 210, as amended, is further amended by striking all of the text that appears after ``for expenses necessary for the maintenance and operation of'' and inserting ``a comprehensive ***program*** of centralized services which the Secretary of Labor may prescribe and deem appropriate and advantageous to provide on a reimbursable basis: Provided, That such Working Capital Fund may receive advances and reimbursements from funds available to bureaus, offices, and agencies for which such centralized services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave, workers' compensation, depreciation of capitalized equipment and amortization of human resources software and systems (either acquired or donated): Provided further, That, through September 30, 2019, the Secretary of Labor may ***transfer*** an amount not to exceed $3,000,000 from unobligated balances in the Department's salaries and expenses accounts to the Working Capital Fund, to be merged with the Working Capital Fund and used for the acquisition of capital equipment and the improvement of financial management, information technology, infrastructure technology investment activities related to support systems and modernization, and other support systems, and to remain available until expended: Provided further, That the Secretary of Labor may ***transfer*** to the Working Capital Fund, to remain available for obligation for five fiscal ***years*** after the fiscal ***year*** of such ***transfer***, annually an amount not to exceed $9,000,000 from unobligated balances in the Department's salaries and expenses accounts made available in this Act and hereafter, and annually an amount not to exceed $9,000,000 from unobligated balances in the Department's discretionary grants accounts made available in this Act and hereafter, for the acquisition of capital equipment and the improvement of financial management, information technology, infrastructure technology investment activities related to support systems and modernization, and other support systems: Provided further, That none of the funds ***transferred*** pursuant to the preceding proviso shall be available unless the Chief Information Officer of the Department of Labor has submitted a plan, approved by the Office of Management and Budget, describing the amounts to be ***transferred*** by account, the planned use of funds, including descriptions of projects, project status, including any scheduled delays and cost overruns, financial expenditures, planned activities, and expected benefits, to the Committees on Appropriations of the House of Representatives and the Senate by July 31 of the ***calendar*** ***year*** prior to the fiscal ***year*** in which the ***transfer*** will occur: Provided further, That the Working Capital Fund may receive reimbursements from entities or persons for use of Departmental facilities, including associated utilities and security services, and such reimbursements shall be credited to and merged with the Working Capital Fund: Provided further, That pursuant to section 11319 of title 40, United States Code, the Secretary shall ensure that the Department's Chief Information Officer shall, at a minimum, be a principal advisor to the Secretary and a member on any board or governance structure of the Department responsible for advising and setting Department- wide information technology budgets: Provided further, That none of the funds available for information technology modernization under this section or under the heading `IT Modernization' shall be used for information technology modernization projects unless an experienced project manager, employed by the Department of Labor, is assigned oversight responsibility, including but not limited to, ensuring such projects are completed within established timeframes and budgets.''. (b) The following provisions are repealed: (1) The heading ``Working Capital Fund'' and the paragraph thereunder in Public Law 91-204, title I, 84 Stat. 26 (1970); and (2) The heading ``Working Capital Fund'' and the paragraph thereunder in the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1994, Public Law 103-112, title I, 107 Stat. 1088 (1993). (rescission) Sec. 118. (a) That of the unobligated funds available under section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C 1356(s)(2)), $8,250,000 are permanently rescinded. (b) For an additional amount for ``Employment and Training Administration--State Unemployment Insurance and Employment Service Operations'', $8,250,000, to remain available until September 30, 2019, for processing applications for foreign labor certifications, including activities related to wage determinations and associated tasks, submitted by employers to employ nonimmigrants as described in section 6(d)(2) of the Joint Resolution entitled ``A Joint Resolution to approve the `Covenant To Establish a Commonwealth of the Northern Mariana Islands in a Political Union with the United States of America', and for other purposes'', as amended by section 3 of the Northern Mariana Islands U.S Workforce Act of 2018 (Public Law 115-218). This title may be cited as the ``Department of Labor Appropriations Act, 2019''. TITLE II DEPARTMENT OF HEALTH AND HUMAN SERVICES Health Resources and Services Administration primary health care For carrying out titles II and III of the Public Health Service Act (referred to in this Act as the ``PHS Act'') with respect to primary health care and the Native Hawaiian Health Care Act of 1988, $1,626,522,000 (in addition to the $4,000,000,000 previously appropriated to the Community Health Center Fund for fiscal ***year*** 2019): Provided, That no more than $1,000,000 shall be available until expended for carrying out the provisions of section 224(o) of the PHS Act: Provided further, That no more than $120,000,000 shall be available until expended for carrying out subsections (g) through (n) and (q) of section 224 of the PHS Act, and for expenses incurred by the Department of Health and Human Services (referred to in this Act as ``HHS'') pertaining to administrative claims made under such law: Provided further, That of funds provided for the Health Centers ***program***, as defined by section 330 of the PHS Act, by this Act or any other Act for fiscal ***year*** 2019, not less than $200,000,000 shall be obligated in fiscal ***year*** 2019 for improving quality of care or expanded service grants under section 330 of the PHS Act to support and enhance behavioral health, mental health, or substance use disorder services. health workforce For carrying out titles III, VII, and VIII of the PHS Act with respect to the health workforce, sections 1128E and 1921 of the Social Security Act, and the Health Care Quality Improvement Act of 1986, $1,096,695,000: Provided, That sections 751(j)(2) and 762(k) of the PHS Act and the proportional funding amounts in paragraphs (1) through (4) of section 756(f) of the PHS Act shall not apply to funds made available under this heading: Provided further, That for any ***program*** operating under section 751 of the PHS Act on or before January 1, 2009, the Secretary of Health and Human Services (referred to in this title as the ``Secretary'') may hereafter waive any of the requirements contained in sections 751(d)(2)(A) and 751(d)(2)(B) of such Act for the full project period of a grant under such section: Provided further, That no funds shall be available for section 340G-1 of the PHS Act: Provided further, That fees collected for the disclosure of information under section 427(b) of the Health Care Quality Improvement Act of 1986 and sections 1128E(d)(2) and 1921 of the Social Security Act shall be sufficient to recover the full costs of operating the ***programs*** authorized by such sections and shall remain available until expended for the National Practitioner Data Bank: Provided further, That funds ***transferred*** to this account to carry out section 846 and subpart 3 of part D of title III of the PHS Act may be used to make prior ***year*** adjustments to awards made under such section and subpart: Provided further, That $105,000,000 shall remain available until expended for the purposes of providing primary health services, assigning National Health Service Corps (``NHSC'') members to expand the delivery of substance use disorder treatment services, notwithstanding the assignment priorities and limitations under sections 333(a)(1)(D), 333(b), and 333A(a)(1)(B)(ii) of the PHS Act, and making ***payments*** under the NHSC Loan Repayment ***Program*** under section 338B of such Act: Provided further, That, in addition to amounts otherwise made available in the previous proviso, $15,000,000 shall remain available until expended for the purposes of making ***payments*** under the NHSC Loan Repayment ***Program*** under section 338B of the PHS Act to individuals participating in such ***program*** who provide primary health services in Indian Health Service facilities, Tribally-Operated 638 Health ***Programs***, and Urban Indian Health ***Programs*** (as those terms are defined by the Secretary), notwithstanding the assignment priorities and limitations under section 333(b) of such Act: Provided further, That for purposes of the previous two provisos, section 331(a)(3)(D) of the PHS Act shall be applied as if the term ``primary health services'' includes clinical substance use disorder treatment services, including those provided by masters level, licensed substance use disorder treatment counselors. [[Page H8283]] Of the funds made available under this heading, $25,000,000 shall remain available until expended for grants to public institutions of higher education to expand or support graduate education for physicians provided by such institutions: Provided, That, in awarding such grants, the Secretary shall give priority to public institutions of higher education located in States with a projected primary care provider shortage in 2025, as determined by the Secretary: Provided further, That grants so awarded are limited to such public institutions of higher education in States in the top quintile of States with a projected primary care provider shortage in 2025, as determined by the Secretary: Provided further, That the minimum amount of a grant so awarded to such an institution shall be not less than $1,000,000 per ***year***: Provided further, That such a grant may be awarded for a period not to exceed 5 ***years***: Provided further, That such a grant awarded with respect to a ***year*** to such an institution shall be subject to a matching requirement of non-Federal funds in an amount that is not less than 10 percent of the total amount of Federal funds provided in the grant to such institution with respect to such ***year***. maternal and child health For carrying out titles III, XI, XII, and XIX of the PHS Act with respect to maternal and child health, title V of the Social Security Act, and section 712 of the American Jobs Creation Act of 2004, $926,789,000: Provided, That notwithstanding sections 502(a)(1) and 502(b)(1) of the Social Security Act, not more than $109,593,000 shall be available for carrying out special projects of regional and national significance pursuant to section 501(a)(2) of such Act and $10,276,000 shall be available for projects described in subparagraphs (A) through (F) of section 501(a)(3) of such Act. ryan white hiv/aids ***program*** For carrying out title XXVI of the PHS Act with respect to the Ryan White HIV/AIDS ***program***, $2,318,781,000, of which $1,970,881,000 shall remain available to the Secretary through September 30, 2021, for parts A and B of title XXVI of the PHS Act, and of which not less than $900,313,000 shall be for State AIDS Drug Assistance ***Programs*** under the authority of section 2616 or 311(c) of such Act. health care systems For carrying out titles III and XII of the PHS Act with respect to health care systems, and the Stem Cell Therapeutic and Research Act of 2005, $115,193,000, of which $122,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center. rural health For carrying out titles III and IV of the PHS Act with respect to rural health, section 427(a) of the Federal Coal Mine Health and Safety Act of 1969, and sections 711 and 1820 of the Social Security Act, $317,794,000, of which $53,609,000 from general revenues, notwithstanding section 1820(j) of the Social Security Act, shall be available for carrying out the Medicare rural hospital flexibility grants ***program***: Provided, That of the funds made available under this heading for Medicare rural hospital flexibility grants, $19,942,000 shall be available for the Small Rural Hospital Improvement Grant ***Program*** for quality improvement and adoption of health information technology and up to $1,000,000 shall be to carry out section 1820(g)(6) of the Social Security Act, with funds provided for grants under section 1820(g)(6) available for the purchase and implementation of telehealth services, including pilots and demonstrations on the use of electronic health records to coordinate rural veterans care between rural providers and the Department of Veterans Affairs electronic health record system: Provided further, That notwithstanding section 338J(k) of the PHS Act, $10,000,000 shall be available for State Offices of Rural Health: Provided further, That $10,000,000 shall remain available through September 30, 2021, to support the Rural Residency Development ***Program***: Provided further, That $120,000,000 shall be for the Rural Communities Opioids Response ***Program***. family planning For carrying out the ***program*** under title X of the PHS Act to provide for voluntary family planning projects, $286,479,000: Provided, That amounts provided to said projects under such title shall not be expended for abortions, that all pregnancy counseling shall be nondirective, and that such amounts shall not be expended for any activity (including the publication or distribution of literature) that in any way tends to promote public support or opposition to any legislative proposal or candidate for public office. ***program*** management For ***program*** support in the Health Resources and Services Administration, $155,250,000: Provided, That funds made available under this heading may be used to supplement ***program*** support funding provided under the headings ``Primary Health Care'', ``Health Workforce'', ``Maternal and Child Health'', ``Ryan White HIV/AIDS ***Program***'', ``Health Care Systems'', and ``Rural Health''. vaccine injury compensation ***program*** trust fund For ***payments*** from the Vaccine Injury Compensation ***Program*** Trust Fund (the ``Trust Fund''), such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the PHS Act, to remain available until expended: Provided, That for necessary administrative expenses, not to exceed $9,200,000 shall be available from the Trust Fund to the Secretary. Centers for Disease Control and Prevention immunization and respiratory diseases For carrying out titles II, III, XVII, and XXI, and section 2821 of the PHS Act, titles II and IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act, with respect to immunization and respiratory diseases, $477,855,000. hiv/aids, viral hepatitis, sexually transmitted diseases, and tuberculosis prevention For carrying out titles II, III, XVII, and XXIII of the PHS Act with respect to HIV/AIDS, viral hepatitis, sexually transmitted diseases, and tuberculosis prevention, $1,132,278,000. emerging and zoonotic infectious diseases For carrying out titles II, III, and XVII, and section 2821 of the PHS Act, titles II and IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act, with respect to emerging and zoonotic infectious diseases, $568,372,000. chronic disease prevention and health promotion For carrying out titles II, III, XI, XV, XVII, and XIX of the PHS Act with respect to chronic disease prevention and health promotion, $932,821,000: Provided, That funds appropriated under this account may be available for making grants under section 1509 of the PHS Act for not less than 21 States, tribes, or tribal organizations: Provided further, That of the funds made available under this heading, $15,000,000 shall be available to continue and expand community specific extension and outreach ***programs*** to combat obesity in counties with the highest levels of obesity: Provided further, That the proportional funding requirements under section 1503(a) of the PHS Act shall not apply to funds made available under this heading. birth defects, developmental disabilities, disabilities and health For carrying out titles II, III, XI, and XVII of the PHS Act with respect to birth defects, developmental disabilities, disabilities and health, $155,560,000. public health scientific services For carrying out titles II, III, and XVII of the PHS Act with respect to health statistics, surveillance, health informatics, and workforce development, $496,397,000. environmental health For carrying out titles II, III, and XVII of the PHS Act with respect to environmental health, $192,350,000. injury prevention and control For carrying out titles II, III, and XVII of the PHS Act with respect to injury prevention and control, $648,559,000. national institute for occupational safety and health For carrying out titles II, III, and XVII of the PHS Act, sections 101, 102, 103, 201, 202, 203, 301, and 501 of the Federal Mine Safety and Health Act, section 13 of the Mine Improvement and New Emergency Response Act, and sections 20, 21, and 22 of the Occupational Safety and Health Act, with respect to occupational safety and health, $336,300,000. energy employees occupational illness compensation ***program*** For necessary expenses to administer the Energy Employees Occupational Illness Compensation ***Program*** Act, $55,358,000, to remain available until expended: Provided, That this amount shall be available consistent with the provision regarding administrative expenses in section 151(b) of division B, title I of Public Law 106-554. global health For carrying out titles II, III, and XVII of the PHS Act with respect to global health, $488,621,000, of which: (1) $128,421,000 shall remain available through September 30, 2020 for international HIV/AIDS; and (2) $50,000,000 shall remain available through September 30, 2021 for Global Disease Detection and Emergency Response: Provided, That funds may be used for purchase and insurance of official motor vehicles in foreign countries. public health preparedness and response For carrying out titles II, III, and XVII of the PHS Act with respect to public health preparedness and response, and for expenses necessary to support activities related to countering potential biological, nuclear, radiological, and chemical threats to civilian populations, $1,465,200,000, of which $610,000,000 shall remain available until expended for the Strategic National Stockpile: Provided, That the Director of the Centers for Disease Control and Prevention (referred to in this title as ``CDC'') or the Administrator of the Agency for Toxic Substances and Disease Registry may detail staff without reimbursement for up to 90 days to support an activation of the CDC Emergency Operations Center, so long as the Director or Administrator, as applicable, provides a notice to the Committees on Appropriations of the House of Representatives and the Senate within 15 days of the use of this authority and a full report within 30 days after use of this authority which includes the number of staff and funding level broken down by the originating center and number of days detailed: Provided further, That funds appropriated under this heading may be used to support a contract for the operation and maintenance of an aircraft in direct support of activities throughout CDC to ensure the agency is prepared to address public health preparedness emergencies. buildings and facilities (including ***transfer*** of funds) For acquisition of real property, equipment, construction, demolition, and renovation of facilities, $30,000,000, which shall remain available until September 30, 2023: Provided, That funds [[Page H8284]] previously set-aside by CDC for repair and upgrade of the Lake Lynn Experimental Mine and Laboratory shall be used to acquire a replacement mine safety research facility: Provided further, That in addition, the prior ***year*** unobligated balance of any amounts assigned to former employees in accounts of CDC made available for Individual Learning Accounts shall be credited to and merged with the amounts made available under this heading to support the replacement of the mine safety research facility. cdc-wide activities and ***program*** support For carrying out titles II, III, XVII and XIX, and section 2821 of the PHS Act and for cross-cutting activities and ***program*** support for activities funded in other appropriations included in this Act for the Centers for Disease Control and Prevention, $163,570,000, of which up to $10,000,000 may be ***transferred*** to the reserve of the Working Capital Fund authorized under this heading in division F of Public Law 112-74: Provided, That paragraphs (1) through (3) of subsection (b) of section 2821 of the PHS Act shall not apply to funds appropriated under this heading and in all other accounts of the CDC: Provided further, That employees of CDC or the Public Health Service, both civilian and commissioned officers, detailed to States, municipalities, or other organizations under authority of section 214 of the PHS Act, or in overseas assignments, shall be treated as non-Federal employees for reporting purposes only and shall not be included within any personnel ceiling applicable to the Agency, Service, or HHS during the period of detail or assignment: Provided further, That CDC may use up to $10,000 from amounts appropriated to CDC in this Act for official reception and representation expenses when specifically approved by the Director of CDC: Provided further, That in addition, such sums as may be derived from authorized user fees, which shall be credited to the appropriation charged with the cost thereof: Provided further, That with respect to the previous proviso, authorized user fees from the Vessel Sanitation ***Program*** and the Respirator Certification ***Program*** shall be available through September 30, 2020. National Institutes of Health national cancer institute For carrying out section 301 and title IV of the PHS Act with respect to cancer, $5,743,892,000, of which up to $30,000,000 may be used for facilities repairs and improvements at the National Cancer Institute--Frederick Federally Funded Research and Development Center in Frederick, Maryland. national heart, lung, and blood institute For carrying out section 301 and title IV of the PHS Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $3,488,335,000. national institute of dental and craniofacial research For carrying out section 301 and title IV of the PHS Act with respect to dental and craniofacial diseases, $461,781,000. national institute of diabetes and digestive and kidney diseases For carrying out section 301 and title IV of the PHS Act with respect to diabetes and digestive and kidney disease, $2,029,823,000. national institute of neurological disorders and stroke For carrying out section 301 and title IV of the PHS Act with respect to neurological disorders and stroke, $2,216,913,000. national institute of allergy and infectious diseases For carrying out section 301 and title IV of the PHS Act with respect to allergy and infectious diseases, $5,523,324,000. national institute of general medical sciences For carrying out section 301 and title IV of the PHS Act with respect to general medical sciences, $2,872,780,000, of which $1,146,821,000 shall be from funds available under section 241 of the PHS Act: Provided, That not less than $361,573,000 is provided for the Institutional Development Awards ***program***. eunice kennedy shriver national institute of child health and human development For carrying out section 301 and title IV of the PHS Act with respect to child health and human development, $1,506,458,000. national eye institute For carrying out section 301 and title IV of the PHS Act with respect to eye diseases and visual disorders, $796,536,000. national institute of environmental health sciences For carrying out section 301 and title IV of the PHS Act with respect to environmental health sciences, $774,707,000. national institute on aging For carrying out section 301 and title IV of the PHS Act with respect to aging, $3,083,410,000. national institute of arthritis and musculoskeletal and skin diseases For carrying out section 301 and title IV of the PHS Act with respect to arthritis and musculoskeletal and skin diseases, $605,065,000. national institute on deafness and other communication disorders For carrying out section 301 and title IV of the PHS Act with respect to deafness and other communication disorders, $474,404,000. national institute of nursing research For carrying out section 301 and title IV of the PHS Act with respect to nursing research, $162,992,000. national institute on alcohol abuse and alcoholism For carrying out section 301 and title IV of the PHS Act with respect to alcohol abuse and alcoholism, $525,591,000. national institute on drug abuse For carrying out section 301 and title IV of the PHS Act with respect to drug abuse, $1,419,844,000. national institute of mental health For carrying out section 301 and title IV of the PHS Act with respect to mental health, $1,812,796,000. national human genome research institute For carrying out section 301 and title IV of the PHS Act with respect to human genome research, $575,579,000. national institute of biomedical imaging and bioengineering For carrying out section 301 and title IV of the PHS Act with respect to biomedical imaging and bioengineering research, $389,464,000. national center for complementary and integrative health For carrying out section 301 and title IV of the PHS Act with respect to complementary and integrative health, $146,473,000. national institute on minority health and health disparities For carrying out section 301 and title IV of the PHS Act with respect to minority health and health disparities research, $314,679,000. john e. fogarty international center For carrying out the activities of the John E. Fogarty International Center (described in subpart 2 of part E of title IV of the PHS Act), $78,109,000. national library of medicine For carrying out section 301 and title IV of the PHS Act with respect to health information communications, $441,997,000: Provided, That of the amounts available for improvement of information systems, $4,000,000 shall be available until September 30, 2020: Provided further, That in fiscal ***year*** 2019, the National Library of Medicine may enter into personal services contracts for the provision of services in facilities owned, operated, or constructed under the jurisdiction of the National Institutes of Health (referred to in this title as ``NIH''). national center for advancing translational sciences For carrying out section 301 and title IV of the PHS Act with respect to translational sciences, $806,373,000: Provided, That up to $80,000,000 shall be available to implement section 480 of the PHS Act, relating to the Cures Acceleration Network: Provided further, That at least $559,736,000 is provided to the Clinical and Translational Sciences Awards ***program***. office of the director (including ***transfer*** of funds) For carrying out the responsibilities of the Office of the Director, NIH, $1,909,075,000: Provided, That funding shall be available for the purchase of not to exceed 29 passenger motor vehicles for replacement only: Provided further, That all funds credited to the NIH Management Fund shall remain available for one fiscal ***year*** after the fiscal ***year*** in which they are deposited: Provided further, That $165,000,000 shall be for the Environmental Influences on Child Health Outcomes study: Provided further, That $606,566,000 shall be available for the Common Fund established under section 402A(c)(1) of the PHS Act: Provided further, That of the funds provided, $10,000 shall be for official reception and representation expenses when specifically approved by the Director of the NIH: Provided further, That the Office of AIDS Research within the Office of the Director of the NIH may spend up to $8,000,000 to make grants for construction or renovation of facilities as provided for in section 2354(a)(5)(B) of the PHS Act: Provided further, That $50,000,000 shall be used to carry out section 404I of the PHS Act (42 U.S.C 283K), relating to biomedical and behavioral research facilities: Provided further, That $5,000,000 shall be ***transferred*** to and merged with the appropriation for the ``Office of Inspector General'' for oversight of grant ***programs*** and operations of the NIH, including agency efforts to ensure the integrity of its grant application evaluation and selection processes, and shall be in addition to funds otherwise made available for oversight of the NIH: Provided further, That the funds provided in the previous proviso may be ***transferred*** from one specified activity to another with 15 days prior approval of the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That the Inspector General shall consult with the Committees on Appropriations of the House of Representatives and the Senate before submitting to the Committees an audit plan for fiscal ***years*** 2019 and 2020 no later than 30 days after the date of enactment of this Act. In addition to other funds appropriated for the Common Fund established under section 402A(c) of the PHS Act, $12,600,000 is appropriated to the Common Fund from the 10-***year*** Pediatric Research Initiative Fund described in section 9008 of title 26, United States Code, for the purpose of carrying out section 402(b)(7)(B)(ii) of the PHS Act (relating to pediatric research), as authorized in the Gabriella Miller Kids First Research Act. buildings and facilities For the study of, construction of, demolition of, renovation of, and acquisition of equipment for, facilities of or used by NIH, including the acquisition of real property, $200,000,000, to remain available through September 30, 2023. [[Page H8285]] nih innovation account, cures act (including ***transfer*** of funds) For necessary expenses to carry out the purposes described in section 1001(b)(4) of the 21st Century Cures Act, in addition to amounts available for such purposes in the appropriations provided to the NIH in this Act, $711,000,000, to remain available until expended: Provided, That such amounts are appropriated pursuant to section 1001(b)(3) of such Act, are to be derived from amounts ***transferred*** under section 1001(b)(2)(A) of such Act, and may be ***transferred*** by the Director of the National Institutes of Health to other accounts of the National Institutes of Health solely for the purposes provided in such Act: Provided further, That upon a determination by the Director that funds ***transferred*** pursuant to the previous proviso are not necessary for the purposes provided, such amounts may be ***transferred*** back to the Account: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided by law. Substance Abuse and Mental Health Services Administration mental health For carrying out titles III, V, and XIX of the PHS Act with respect to mental health, and the Protection and Advocacy for Individuals with Mental Illness Act, $1,524,974,000: Provided, That of the funds made available under this heading, $63,887,000 shall be for the National Child Traumatic Stress Initiative, of which $10,000,000 shall be awarded not later than December 1, 2018, for activities described in the joint explanatory statement accompanying this Act: Provided further, That notwithstanding section 520A(f)(2) of the PHS Act, no funds appropriated for carrying out section 520A shall be available for carrying out section 1971 of the PHS Act: Provided further, That in addition to amounts provided herein, $21,039,000 shall be available under section 241 of the PHS Act to carry out subpart I of part B of title XIX of the PHS Act to fund section 1920(b) technical assistance, national data, data collection and evaluation activities, and further that the total available under this Act for section 1920(b) activities shall not exceed 5 percent of the amounts appropriated for subpart I of part B of title XIX: Provided further, That up to 10 percent of the amounts made available to carry out the Children's Mental Health Services ***program*** may be used to carry out demonstration grants or contracts for early interventions with persons not more than 25 ***years*** of age at clinical high risk of developing a first episode of psychosis: Provided further, That section 520E(b)(2) of the PHS Act shall not apply to funds appropriated in this Act for fiscal ***year*** 2019: Provided further, That States shall expend at least 10 percent of the amount each receives for carrying out section 1911 of the PHS Act to support evidence-based ***programs*** that address the needs of individuals with early serious mental illness, including psychotic disorders, regardless of the age of the individual at onset: Provided further, That $150,000,000 shall be available until September 30, 2021 for grants to communities and community organizations who meet criteria for Certified Community Behavioral Health Clinics pursuant to section 223(a) of Public Law 113-93: Provided further, That none of the funds provided for section 1911 of the PHS Act shall be subject to section 241 of such Act: Provided further, That of the funds made available under this heading, $15,000,000 shall be to carry out section 224 of the Protecting Access to Medicare Act of 2014 (Public Law 113-93; 42 U.S.C 290aa 22 note). substance abuse treatment For carrying out titles III and V of the PHS Act with respect to substance abuse treatment and title XIX of such Act with respect to substance abuse treatment and prevention, $3,737,556,000: Provided, That $1,500,000,000 shall be for State Opioid Response Grants for carrying out activities pertaining to opioids undertaken by the State agency responsible for administering the substance abuse prevention and treatment block grant under subpart II of part B of title XIX of the PHS Act (42 U.S.C 300x-21 et seq.): Provided further, That of such amount $50,000,000 shall be made available to Indian Tribes or tribal organizations: Provided further, That 15 percent of the remaining amount shall be for the States with the highest mortality rate related to opioid use disorders: Provided further, That of the amounts provided for State Opioid Response Grants not more than 2 percent shall be available for Federal administrative expenses, training, technical assistance, and evaluation: Provided further, That of the amount not reserved by the previous three provisos, the Secretary shall make allocations to States, territories, and the District of Columbia according to a formula using national survey results that the Secretary determines are the most objective and reliable measure of drug use and drug-related deaths: Provided further, That the Secretary shall submit the formula methodology to the Committees on Appropriations of the House of Representatives and the Senate not less than 15 days prior to publishing a Funding Opportunity Announcement: Provided further, That prevention and treatment activities funded through such grants may include education, treatment (including the provision of medication), behavioral health services for individuals in treatment ***programs***, referral to treatment services, recovery support, and medical screening associated with such treatment: Provided further, That each State, as well as the District of Columbia, shall receive not less than $4,000,000: Provided further, That in addition to amounts provided herein, the following amounts shall be available under section 241 of the PHS Act: (1) $79,200,000 to carry out subpart II of part B of title XIX of the PHS Act to fund section 1935(b) technical assistance, national data, data collection and evaluation activities, and further that the total available under this Act for section 1935(b) activities shall not exceed 5 percent of the amounts appropriated for subpart II of part B of title XIX; and (2) $2,000,000 to evaluate substance abuse treatment ***programs***: Provided further, That none of the funds provided for section 1921 of the PHS Act or State Opioid Response Grants shall be subject to section 241 of such Act. substance abuse prevention For carrying out titles III and V of the PHS Act with respect to substance abuse prevention, $205,469,000. health surveillance and ***program*** support For ***program*** support and cross-cutting activities that supplement activities funded under the headings ``Mental Health'', ``Substance Abuse Treatment'', and ``Substance Abuse Prevention'' in carrying out titles III, V, and XIX of the PHS Act and the Protection and Advocacy for Individuals with Mental Illness Act in the Substance Abuse and Mental Health Services Administration, $128,830,000: Provided, That in addition to amounts provided herein, $31,428,000 shall be available under section 241 of the PHS Act to supplement funds available to carry out national surveys on drug abuse and mental health, to collect and analyze ***program*** data, and to conduct public awareness and technical assistance activities: Provided further, That, in addition, fees may be collected for the costs of publications, data, data tabulations, and data analysis completed under title V of the PHS Act and provided to a public or private entity upon request, which shall be credited to this appropriation and shall remain available until expended for such purposes: Provided further, That amounts made available in this Act for carrying out section 501(o) of the PHS Act shall remain available through September 30, 2020: Provided further, That funds made available under this heading may be used to supplement ***program*** support funding provided under the headings ``Mental Health'', ``Substance Abuse Treatment'', and ``Substance Abuse Prevention''. Agency for Healthcare Research and Quality healthcare research and quality For carrying out titles III and IX of the PHS Act, part A of title XI of the Social Security Act, and section 1013 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, $338,000,000: Provided, That section 947(c) of the PHS Act shall not apply in fiscal ***year*** 2019: Provided further, That in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data shall be credited to this appropriation and shall remain available until September 30, 2020. Centers for Medicare & Medicaid Services grants to states for medicaid For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $276,236,212,000, to remain available until expended. For making, after May 31, 2019, ***payments*** to States under title XIX or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the last quarter of fiscal ***year*** 2019 for unanticipated costs incurred for the current fiscal ***year***, such sums as may be necessary. For making ***payments*** to States or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the first quarter of fiscal ***year*** 2020, $137,931,797,000, to remain available until expended. ***Payment*** under such title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter. ***payments*** to the health care trust funds For ***payment*** to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as provided under sections 217(g), 1844, and 1860D-16 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d)(3) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, $378,343,800,000. In addition, for making matching ***payments*** under section 1844 and benefit ***payments*** under section 1860D-16 of the Social Security Act that were not anticipated in budget estimates, such sums as may be necessary. ***program*** management For carrying out, except as otherwise provided, titles XI, XVIII, XIX, and XXI of the Social Security Act, titles XIII and XXVII of the PHS Act, the Clinical Laboratory Improvement Amendments of 1988, and other responsibilities of the Centers for Medicare & Medicaid Services, not to exceed $3,669,744,000, to be ***transferred*** from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the PHS Act and section 1857(e)(2) of the Social Security Act, funds retained by the Secretary pursuant to section 1893(h) of the Social Security Act, and such sums as may be collected from authorized user fees and the sale of data, which shall be credited to this account and remain available until expended: Provided, That all funds derived in accordance with 31 U.S.C 9701 from organizations established under title XIII of the PHS Act shall be credited to and available for carrying out the purposes of this appropriation: Provided further, That the Secretary is directed to collect fees in fiscal ***year*** 2019 from Medicare Advantage organizations pursuant to section 1857(e)(2) [[Page H8286]] of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act. health care fraud and abuse control account In addition to amounts otherwise available for ***program*** integrity and ***program*** management, $765,000,000, to remain available through September 30, 2020, to be ***transferred*** from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as authorized by section 201(g) of the Social Security Act, of which $599,389,000 shall be for the Centers for Medicare & Medicaid Services ***program*** integrity activities, of which $87,230,000 shall be for the Department of Health and Human Services Office of Inspector General to carry out fraud and abuse activities authorized by section 1817(k)(3) of such Act, and of which $78,381,000 shall be for the Department of Justice to carry out fraud and abuse activities authorized by section 1817(k)(3) of such Act: Provided, That the report required by section 1817(k)(5) of the Social Security Act for fiscal ***year*** 2019 shall include measures of the operational efficiency and impact on fraud, waste, and abuse in the Medicare, Medicaid, and CHIP ***programs*** for the funds provided by this appropriation: Provided further, That of the amount provided under this heading, $311,000,000 is provided to meet the terms of section 251(b)(2)(C)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and $454,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(C) of such Act: Provided further, That the Secretary shall provide not less than $17,621,000 for the Senior Medicare Patrol ***program*** to combat health care fraud and abuse from the funds provided to this account. Administration for Children and Families ***payments*** to states for child support enforcement and family support ***programs*** For carrying out, except as otherwise provided, titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960, $2,922,247,000, to remain available until expended; and for such purposes for the first quarter of fiscal ***year*** 2020, $1,400,000,000, to remain available until expended. For carrying out, after May 31 of the current fiscal ***year***, except as otherwise provided, titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960, for the last 3 months of the current fiscal ***year*** for unanticipated costs, incurred for the current fiscal ***year***, such sums as may be necessary. low income home energy assistance For making ***payments*** under subsections (b) and (d) of section 2602 of the Low Income Home Energy Assistance Act of 1981, $3,690,304,000: Provided, That all but $716,000,000 of this amount shall be allocated as though the total appropriation for such ***payments*** for fiscal ***year*** 2019 was less than $1,975,000,000: Provided further, That notwithstanding section 2609A(a), of the amounts appropriated under section 2602(b), not more than $2,988,000 of such amounts may be reserved by the Secretary for technical assistance, training, and monitoring of ***program*** activities for compliance with internal controls, policies and procedures and may, in addition to the authorities provided in section 2609A(a)(1), use such funds through contracts with private entities that do not qualify as nonprofit organizations. refugee and entrant assistance (including ***transfer*** of funds) For necessary expenses for refugee and entrant assistance activities authorized by section 414 of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980, and for carrying out section 462 of the Homeland Security Act of 2002, section 235 of the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, the Trafficking Victims Protection Act of 2000 (``TVPA''), and the Torture Victims Relief Act of 1998, $1,905,201,000, of which $1,864,446,000 shall remain available through September 30, 2021 for carrying out such sections 414, 501, 462, and 235: Provided, That amounts available under this heading to carry out the TVPA shall also be available for research and evaluation with respect to activities under such Act: Provided further, That the limitation in section 205 of this Act regarding ***transfers*** increasing any appropriation shall apply to ***transfers*** to appropriations under this heading by substituting ``15 percent'' for ``3 percent''. ***payments*** to states for the child care and development block grant For carrying out the Child Care and Development Block Grant Act of 1990 (``CCDBG Act''), $5,276,000,000 shall be used to supplement, not supplant State general revenue funds for child care assistance for low-income families: Provided, That technical assistance under section 658I(a)(3) of such Act may be provided directly, or through the use of contracts, grants, cooperative agreements, or interagency agreements: Provided further, That all funds made available to carry out section 418 of the Social Security Act (42 U.S.C 618), including funds appropriated for that purpose in such section 418 or any other provision of law, shall be subject to the reservation of funds authority in paragraphs (4) and (5) of section 658O(a) of the CCDBG Act: Provided further, That in addition to the amounts required to be reserved by the Secretary under section 658O(a)(2)(A) of such Act, $156,780,000 shall be for Indian tribes and tribal organizations. social services block grant For making grants to States pursuant to section 2002 of the Social Security Act, $1,700,000,000: Provided, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State ***programs*** pursuant to title XX- A of such Act shall be 10 percent. children and families services ***programs*** For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Head Start Act, the Every Student Succeeds Act, the Child Abuse Prevention and Treatment Act, sections 303 and 313 of the Family Violence Prevention and Services Act, the Native American ***Programs*** Act of 1974, title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (adoption opportunities), part B-1 of title IV and sections 429, 473A, 477(i), 1110, 1114A, and 1115 of the Social Security Act, and the Community Services Block Grant Act (``CSBG Act''); and for necessary administrative expenses to carry out titles I, IV, V, X, XI, XIV, XVI, and XX-A of the Social Security Act, the Act of July 5, 1960, the Low-Income Home Energy Assistance Act of 1981, the Child Care and Development Block Grant Act of 1990, the Assets for Independence Act, title IV of the Immigration and Nationality Act, and section 501 of the Refugee Education Assistance Act of 1980, $12,239,225,000, of which $75,000,000, to remain available through September 30, 2020, shall be for grants to States for adoption and legal guardianship incentive ***payments***, as defined by section 473A of the Social Security Act and may be made for adoptions and legal guardianships completed before September 30, 2019: Provided, That $10,063,095,000 shall be for making ***payments*** under the Head Start Act, of which, notwithstanding section 640 of such Act: (1) $150,000,000 shall be available for a cost of living adjustment, and with respect to any continuing appropriations act, funding available for a cost of living adjustment shall not be construed as an authority or condition under this Act; (2) $25,000,000 shall be available for allocation by the Secretary to supplement activities described in paragraphs (7)(B) and (9) of section 641(c) of the Head Start Act under the Designation Renewal System, established under the authority of sections 641(c)(7), 645A(b)(12), and 645A(d) of such Act, and such funds shall not be included in the calculation of ``base grant'' in subsequent fiscal ***years***, as such term is used in section 640(a)(7)(A) of such Act; and (3) $805,000,000, in addition to funds otherwise available under such section 640 for such purposes, shall be available through March 31, 2020, for Early Head Start ***programs*** as described in section 645A of such Act, for conversion of Head Start services to Early Head Start services as described in section 645(a)(5)(A) of such Act, for discretionary grants for high quality infant and toddler care through Early Head Start-Child Care Partnerships, to entities defined as eligible under section 645A(d) of such Act, for training and technical assistance for such activities, and for up to $16,000,000 in Federal costs of administration and evaluation: Provided further, That the Secretary may reduce the reservation of funds under section 640(a)(2)(C) of such Act in lieu of reducing the reservation of funds under sections 640(a)(2)(B), 640(a)(2)(D), and 640(a)(2)(E) of such Act: Provided further, That $250,000,000 shall be available until December 31, 2019 for carrying out sections 9212 and 9213 of the Every Student Succeeds Act: Provided further, That up to 3 percent of the funds in the preceding proviso shall be available for technical assistance and evaluation related to grants awarded under such section 9212: Provided further, That $753,883,000 shall be for making ***payments*** under the CSBG Act: Provided further, That $29,233,000 shall be for sections 680 and 678E(b)(2) of the CSBG Act, of which not less than $19,883,000 shall be for section 680(a)(2) and not less than $9,000,000 shall be for section 680(a)(3)(B) of such Act: Provided further, That, notwithstanding section 675C(a)(3) of such Act, to the extent Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under such Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal ***year*** for expenditure by such entity consistent with ***program*** purposes: Provided further, That the Secretary shall establish procedures regarding the disposition of intangible assets and ***program*** income that permit such assets acquired with, and ***program*** income derived from, grant funds authorized under section 680 of the CSBG Act to become the sole property of such grantees after a period of not more than 12 ***years*** after the end of the grant period for any activity consistent with section 680(a)(2)(A) of the CSBG Act: Provided further, That intangible assets in the form of loans, equity investments and other debt instruments, and ***program*** income may be used by grantees for any eligible purpose consistent with section 680(a)(2)(A) of the CSBG Act: Provided further, That these procedures shall apply to such grant funds made available after November 29, 1999: Provided further, That funds appropriated for section 680(a)(2) of the CSBG Act shall be available for financing construction and rehabilitation and loans or investments in private business enterprises owned by community development corporations: Provided further, That $164,500,000 shall be for carrying out section 303(a) of the Family Violence Prevention and Services Act, of which $5,000,000 shall be allocated notwithstanding section 303(a)(2) of such Act for carrying out section 309 of such Act: Provided further, That the percentages specified in section 112(a)(2) of the Child Abuse Prevention and Treatment Act shall not apply to funds appropriated under this heading: Provided further, That $1,864,000 shall be for a human services case management system for federally declared disasters, to include a comprehensive national case management contract and Federal costs of administering the system: [[Page H8287]] Provided further, That up to $2,000,000 shall be for improving the Public Assistance Reporting Information System, including grants to States to support data collection for a study of the system's effectiveness. promoting safe and stable families For carrying out, except as otherwise provided, section 436 of the Social Security Act, $345,000,000 and, for carrying out, except as otherwise provided, section 437 of such Act, $99,765,000: Provided, That of the funds available to carry out section 437, $59,765,000 shall be allocated consistent with subsections (b) through (d) of such section: Provided further, That of the funds available to carry out section 437, to assist in meeting the requirements described in section 471(e)(4)(C), $20,000,000 shall be for grants to each State, territory, and Indian tribe operating title IV-E plans for developing, enhancing, or evaluating kinship navigator ***programs***, as described in section 427(a)(1) of such Act, and $20,000,000, in addition to funds otherwise appropriated in section 436 for such purposes, shall be for competitive grants to regional partnerships as described in section 437(f): Provided further, That section 437(b)(1) shall be applied to amounts in the previous proviso by substituting ``5 percent'' for ``3.3 percent'', and notwithstanding section 436(b)(1), such reserved amounts may be used for identifying, establishing, and disseminating practices to meet the criteria specified in section 471(e)(4)(C): Provided further, That the reservation in section 437(b)(2) and the limitations in section 437(d) shall not apply to funds specified in the second proviso: Provided further, That the minimum grant award for kinship navigator ***programs*** in the case of States and territories shall be $200,000, and, in the case of tribes, shall be $25,000: Provided further, That section 437(b)(4) of such Act shall be applied by substituting ``fiscal ***year*** 2019'' for ``fiscal ***year*** 2018''. ***payments*** for foster care and permanency For carrying out, except as otherwise provided, title IV-E of the Social Security Act, $6,035,000,000. For carrying out, except as otherwise provided, title IV-E of the Social Security Act, for the first quarter of fiscal ***year*** 2020, $2,800,000,000. For carrying out, after May 31 of the current fiscal ***year***, except as otherwise provided, section 474 of title IV-E of the Social Security Act, for the last 3 months of the current fiscal ***year*** for unanticipated costs, incurred for the current fiscal ***year***, such sums as may be necessary. Administration for Community Living aging and disability services ***programs*** (including ***transfer*** of funds) For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965 (``OAA''), the RAISE Family Caregivers Act, the Supporting Grandparents Raising Grandchildren Act, titles III and XXIX of the PHS Act, sections 1252 and 1253 of the PHS Act, section 119 of the Medicare Improvements for Patients and Providers Act of 2008, title XX-B of the Social Security Act, the Developmental Disabilities Assistance and Bill of Rights Act, parts 2 and 5 of subtitle D of title II of the Help America Vote Act of 2002, the Assistive Technology Act of 1998, titles II and VII (and section 14 with respect to such titles) of the Rehabilitation Act of 1973, and for Department-wide coordination of policy and ***program*** activities that assist individuals with disabilities, $2,120,200,000, together with $49,115,000 to be ***transferred*** from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund to carry out section 4360 of the Omnibus Budget Reconciliation Act of 1990: Provided, That amounts appropriated under this heading may be used for grants to States under section 361 of the OAA only for disease prevention and health promotion ***programs*** and activities which have been demonstrated through rigorous evaluation to be evidence-based and effective: Provided further, That of amounts made available under this heading to carry out sections 311, 331, and 336 of the OAA, up to one percent of such amounts shall be available for developing and implementing evidence-based practices for enhancing senior nutrition: Provided further, That notwithstanding any other provision of this Act, funds made available under this heading to carry out section 311 of the OAA may be ***transferred*** to the Secretary of ***Agriculture*** in accordance with such section: Provided further, That $2,000,000 shall be for competitive grants to support alternative financing ***programs*** that provide for the purchase of assistive technology devices, such as a low-interest loan fund; an interest buy-down ***program***; a revolving loan fund; a loan guarantee; or an insurance ***program***: Provided further, That applicants shall provide an assurance that, and information describing the manner in which, the alternative financing ***program*** will expand and emphasize consumer choice and control: Provided further, That State agencies and community-based disability organizations that are directed by and operated for individuals with disabilities shall be eligible to compete: Provided further, That none of the funds made available under this heading may be used by an eligible system (as defined in section 102 of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C 10802)) to continue to pursue any legal action in a Federal or State court on behalf of an individual or group of individuals with a developmental disability (as defined in section 102(8)(A) of the Developmental Disabilities and Assistance and Bill of Rights Act of 2000 (20 U.S.C 15002(8)(A)) that is attributable to a mental impairment (or a combination of mental and physical impairments), that has as the requested remedy the closure of State operated intermediate care facilities for people with intellectual or developmental disabilities, unless reasonable public notice of the action has been provided to such individuals (or, in the case of mental incapacitation, the legal guardians who have been specifically awarded authority by the courts to make healthcare and residential decisions on behalf of such individuals) who are affected by such action, within 90 days of instituting such legal action, which informs such individuals (or such legal guardians) of their legal rights and how to exercise such rights consistent with current Federal Rules of Civil Procedure: Provided further, That the limitations in the immediately preceding proviso shall not apply in the case of an individual who is neither competent to consent nor has a legal guardian, nor shall the proviso apply in the case of individuals who are a ward of the State or subject to public guardianship. Office of the Secretary general departmental management For necessary expenses, not otherwise provided, for general departmental management, including hire of six passenger motor vehicles, and for carrying out titles III, XVII, XXI, and section 229 of the PHS Act, the United States-Mexico Border Health Commission Act, and research studies under section 1110 of the Social Security Act, $480,629,000, together with $64,828,000 from the amounts available under section 241 of the PHS Act to carry out national health or human services research and evaluation activities: Provided, That of this amount, $53,900,000 shall be for minority AIDS prevention and treatment activities: Provided further, That of the funds made available under this heading, $101,000,000 shall be for making competitive contracts and grants to public and private entities to fund medically accurate and age appropriate ***programs*** that reduce teen pregnancy and for the Federal costs associated with administering and evaluating such contracts and grants, of which not more than 10 percent of the available funds shall be for training and technical assistance, evaluation, outreach, and additional ***program*** support activities, and of the remaining amount 75 percent shall be for replicating ***programs*** that have been proven effective through rigorous evaluation to reduce teenage pregnancy, behavioral risk factors underlying teenage pregnancy, or other associated risk factors, and 25 percent shall be available for research and demonstration grants to develop, replicate, refine, and test additional models and innovative strategies for preventing teenage pregnancy: Provided further, That of the amounts provided under this heading from amounts available under section 241 of the PHS Act, $6,800,000 shall be available to carry out evaluations (including longitudinal evaluations) of teenage pregnancy prevention approaches: Provided further, That of the funds made available under this heading, $35,000,000 shall be for making competitive grants which exclusively implement education in sexual risk avoidance (defined as voluntarily refraining from non-marital sexual activity): Provided further, That funding for such competitive grants for sexual risk avoidance shall use medically accurate information referenced to peer-reviewed publications by educational, scientific, governmental, or health organizations; implement an evidence-based approach integrating research findings with practical implementation that aligns with the needs and desired outcomes for the intended audience; and teach the benefits associated with self-regulation, success sequencing for poverty prevention, healthy relationships, goal setting, and resisting sexual coercion, dating violence, and other youth risk behaviors such as underage drinking or illicit drug use without normalizing teen sexual activity: Provided further, That no more than 10 percent of the funding for such competitive grants for sexual risk avoidance shall be available for technical assistance and administrative costs of such ***programs***: Provided further, That funds provided in this Act for embryo adoption activities may be used to provide to individuals adopting embryos, through grants and other mechanisms, medical and administrative services deemed necessary for such adoptions: Provided further, That such services shall be provided consistent with 42 CFR 59.5(a)(4). office of medicare hearings and appeals For expenses necessary for the Office of Medicare Hearings and Appeals, $182,381,000 shall remain available until September 30, 2020, to be ***transferred*** in appropriate part from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund. office of the national coordinator for health information technology For expenses necessary for the Office of the National Coordinator for Health Information Technology, including grants, contracts, and cooperative agreements for the development and advancement of interoperable health information technology, $60,367,000. office of inspector general For expenses necessary for the Office of Inspector General, including the hire of passenger motor vehicles for investigations, in carrying out the provisions of the Inspector General Act of 1978, $80,000,000: Provided, That of such amount, necessary sums shall be available for providing protective services to the Secretary and investigating non-***payment*** of child support cases for which non-***payment*** is a Federal offense under 18 U.S.C 228. office for civil rights For expenses necessary for the Office for Civil Rights, $38,798,000. retirement pay and medical benefits for commissioned officers For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, for ***payments*** under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan, and for medical care of [[Page H8288]] dependents and retired personnel under the Dependents' Medical Care Act, such amounts as may be required during the current fiscal ***year***. public health and social services emergency fund For expenses necessary to support activities related to countering potential biological, nuclear, radiological, chemical, and cybersecurity threats to civilian populations, and for other public health emergencies, $1,026,458,000, of which $561,700,000 shall remain available through September 30, 2020, for expenses necessary to support advanced research and development pursuant to section 319L of the PHS Act and other administrative expenses of the Biomedical Advanced Research and Development Authority: Provided, That funds provided under this heading for the purpose of acquisition of security countermeasures shall be in addition to any other funds available for such purpose: Provided further, That products purchased with funds provided under this heading may, at the discretion of the Secretary, be deposited in the Strategic National Stockpile pursuant to section 319F-2 of the PHS Act: Provided further, That $5,000,000 of the amounts made available to support emergency operations shall remain available through September 30, 2021. For expenses necessary for procuring security countermeasures (as defined in section 319F-2(c)(1)(B) of the PHS Act), $735,000,000, to remain available until expended. For an additional amount for expenses necessary to prepare for or respond to an influenza pandemic, $260,000,000; of which $225,000,000 shall be available until expended, for activities including the development and purchase of vaccine, antivirals, necessary medical supplies, diagnostics, and other surveillance tools: Provided, That notwithstanding section 496(b) of the PHS Act, funds may be used for the construction or renovation of privately owned facilities for the production of pandemic influenza vaccines and other biologics, if the Secretary finds such construction or renovation necessary to secure sufficient supplies of such vaccines or biologics. General Provisions Sec. 201. Funds appropriated in this title shall be available for not to exceed $50,000 for official reception and representation expenses when specifically approved by the Secretary. Sec. 202. None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II. Sec. 203. None of the funds appropriated in this Act may be expended pursuant to section 241 of the PHS Act, except for funds specifically provided for in this Act, or for other taps and assessments made by any office located in HHS, prior to the preparation and submission of a report by the Secretary to the Committees on Appropriations of the House of Representatives and the Senate detailing the planned uses of such funds. Sec. 204. Notwithstanding section 241(a) of the PHS Act, such portion as the Secretary shall determine, but not more than 2.5 percent, of any amounts appropriated for ***programs*** authorized under such Act shall be made available for the evaluation (directly, or by grants or contracts) and the implementation and effectiveness of ***programs*** funded in this title. (***transfer*** of funds) Sec. 205. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the current fiscal ***year*** for HHS in this Act may be ***transferred*** between appropriations, but no such appropriation shall be increased by more than 3 percent by any such ***transfer***: Provided, That the ***transfer*** authority granted by this section shall not be used to create any new ***program*** or to fund any project or activity for which no funds are provided in this Act: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***. Sec. 206. In lieu of the timeframe specified in section 338E(c)(2) of the PHS Act, terminations described in such section may occur up to 60 days after the execution of a contract awarded in fiscal ***year*** 2019 under section 338B of such Act. Sec. 207. None of the funds appropriated in this Act may be made available to any entity under title X of the PHS Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities. Sec. 208. Notwithstanding any other provision of law, no provider of services under title X of the PHS Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual abuse, rape, or incest. Sec. 209. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare Advantage ***program*** if the Secretary denies participation in such ***program*** to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation ***payment*** to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): Provided further, That nothing in this section shall be construed to change the Medicare ***program***'s coverage for such services and a Medicare Advantage organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services. Sec. 210. None of the funds made available in this title may be used, in whole or in part, to advocate or promote gun control. Sec. 211. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS ***programs*** through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization. Sec. 212. In order for HHS to carry out international health activities, including HIV/AIDS and other infectious disease, chronic and environmental disease, and other health activities abroad during fiscal ***year*** 2019: (1) The Secretary may exercise authority equivalent to that available to the Secretary of State in section 2(c) of the State Department Basic Authorities Act of 1956. The Secretary shall consult with the Secretary of State and relevant Chief of Mission to ensure that the authority provided in this section is exercised in a manner consistent with section 207 of the Foreign Service Act of 1980 and other applicable statutes administered by the Department of State. (2) The Secretary is authorized to provide such funds by advance or reimbursement to the Secretary of State as may be necessary to pay the costs of acquisition, lease, alteration, renovation, and management of facilities outside of the United States for the use of HHS. The Department of State shall cooperate fully with the Secretary to ensure that HHS has secure, safe, functional facilities that comply with applicable regulation governing location, setback, and other facilities requirements and serve the purposes established by this Act. The Secretary is authorized, in consultation with the Secretary of State, through grant or cooperative agreement, to make available to public or nonprofit private institutions or agencies in participating foreign countries, funds to acquire, lease, alter, or renovate facilities in those countries as necessary to conduct ***programs*** of assistance for international health activities, including activities relating to HIV/AIDS and other infectious diseases, chronic and environmental diseases, and other health activities abroad. (3) The Secretary is authorized to provide to personnel appointed or assigned by the Secretary to serve abroad, allowances and benefits similar to those provided under chapter 9 of title I of the Foreign Service Act of 1980, and 22 U.S.C 4081 through 4086 and subject to such regulations prescribed by the Secretary. The Secretary is further authorized to provide locality-based comparability ***payments*** (stated as a percentage) up to the amount of the locality- based comparability ***payment*** (stated as a percentage) that would be payable to such personnel under section 5304 of title 5, United States Code if such personnel's official duty station were in the District of Columbia. Leaves of absence for personnel under this subsection shall be on the same basis as that provided under subchapter I of chapter 63 of title 5, United States Code, or section 903 of the Foreign Service Act of 1980, to individuals serving in the Foreign Service. (***transfer*** of funds) Sec. 213. The Director of the NIH, jointly with the Director of the Office of AIDS Research, may ***transfer*** up to 3 percent among institutes and centers from the total amounts identified by these two Directors as funding for research pertaining to the human immunodeficiency virus: Provided, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***. (***transfer*** of funds) Sec. 214. Of the amounts made available in this Act for NIH, the amount for research related to the human immunodeficiency virus, as jointly determined by the Director of NIH and the Director of the Office of AIDS Research, shall be made available to the ``Office of AIDS Research'' account. The Director of the Office of AIDS Research shall ***transfer*** from such account amounts necessary to carry out section 2353(d)(3) of the PHS Act. Sec. 215. (a) Authority.--Notwithstanding any other provision of law, the Director of NIH (``Director'') may use funds authorized under section 402(b)(12) of the PHS Act to enter into transactions (other than contracts, cooperative agreements, or grants) to carry out research identified pursuant to or research and activities described in such section 402(b)(12). (b) Peer Review.--In entering into transactions under subsection (a), the Director may utilize such peer review procedures (including consultation with appropriate scientific experts) as the Director determines to be appropriate to obtain assessments of scientific and technical merit. Such procedures shall apply to such transactions in lieu of the peer review and advisory council review procedures that would otherwise be required under sections 301(a)(3), 405(b)(1)(B), 405(b)(2), 406(a)(3)(A), 492, and 494 of the PHS Act. Sec. 216. Not to exceed $45,000,000 of funds appropriated by this Act to the institutes and centers of the National Institutes of Health may be used for alteration, repair, or improvement of facilities, as necessary for the proper and efficient conduct of the activities authorized herein, at not to exceed $3,500,000 per project. (***transfer*** of funds) Sec. 217. Of the amounts made available for NIH, 1 percent of the amount made available for National Research Service Awards (``NRSA'') shall be made available to the Administrator of the Health Resources and Services Administration to make NRSA awards for research in primary medical care to individuals affiliated with [[Page H8289]] entities who have received grants or contracts under sections 736, 739, or 747 of the PHS Act, and 1 percent of the amount made available for NRSA shall be made available to the Director of the Agency for Healthcare Research and Quality to make NRSA awards for health service research. Sec. 218. (a) The Biomedical Advanced Research and Development Authority (``BARDA'') may enter into a contract, for more than one but no more than 10 ***program*** ***years***, for purchase of research services or of security countermeasures, as that term is defined in section 319F-2(c)(1)(B) of the PHS Act (42 U.S.C 247d-6b(c)(1)(B)), if-- (1) funds are available and obligated-- (A) for the full period of the contract or for the first fiscal ***year*** in which the contract is in effect; and (B) for the estimated costs associated with a necessary termination of the contract; and (2) the Secretary determines that a multi-***year*** contract will serve the best interests of the Federal Government by encouraging full and open competition or promoting economy in administration, performance, and operation of BARDA's ***programs***. (b) A contract entered into under this section-- (1) shall include a termination clause as described by subsection (c) of section 3903 of title 41, United States Code; and (2) shall be subject to the congressional notice requirement stated in subsection (d) of such section. Sec. 219. (a) The Secretary shall publish in the fiscal ***year*** 2020 budget justification and on Departmental Web sites information concerning the employment of full-time equivalent Federal employees or contractors for the purposes of implementing, administering, enforcing, or otherwise carrying out the provisions of the ACA, and the amendments made by that Act, in the proposed fiscal ***year*** and each fiscal ***year*** since the enactment of the ACA. (b) With respect to employees or contractors supported by all funds appropriated for purposes of carrying out the ACA (and the amendments made by that Act), the Secretary shall include, at a minimum, the following information: (1) For each such fiscal ***year***, the section of such Act under which such funds were appropriated, a statement indicating the ***program***, project, or activity receiving such funds, the Federal operating division or office that administers such ***program***, and the amount of funding received in discretionary or mandatory appropriations. (2) For each such fiscal ***year***, the number of full-time equivalent employees or contracted employees assigned to each authorized and funded provision detailed in accordance with paragraph (1). (c) In carrying out this section, the Secretary may exclude from the report employees or contractors who-- (1) are supported through appropriations enacted in laws other than the ACA and work on ***programs*** that existed prior to the passage of the ACA; (2) spend less than 50 percent of their time on activities funded by or newly authorized in the ACA; or (3) work on contracts for which FTE reporting is not a requirement of their contract, such as fixed-price contracts. Sec. 220. The Secretary shall publish, as part of the fiscal ***year*** 2020 budget of the President submitted under section 1105(a) of title 31, United States Code, information that details the uses of all funds used by the Centers for Medicare & Medicaid Services specifically for Health Insurance Exchanges for each fiscal ***year*** since the enactment of the ACA and the proposed uses for such funds for fiscal ***year*** 2020. Such information shall include, for each such fiscal ***year***, the amount of funds used for each activity specified under the heading ``Health Insurance Exchange Transparency'' in the joint explanatory statement accompanying this Act. Sec. 221. None of the funds made available by this Act from the Federal Hospital Insurance Trust Fund or the Federal Supplemental Medical Insurance Trust Fund, or ***transferred*** from other accounts funded by this Act to the ``Centers for Medicare & Medicaid Services--***Program*** Management'' account, may be used for ***payments*** under section 1342(b)(1) of Public Law 111-148 (relating to risk corridors). (***transfer*** of funds) Sec. 222. (a) Within 45 days of enactment of this Act, the Secretary shall ***transfer*** funds appropriated under section 4002 of the ACA to the accounts specified, in the amounts specified, and for the activities specified under the heading ``Prevention and Public Health Fund'' in the joint explanatory statement accompanying this Act. (b) Notwithstanding section 4002(c) of the ACA, the Secretary may not further ***transfer*** these amounts. (c) Funds ***transferred*** for activities authorized under section 2821 of the PHS Act shall be made available without reference to section 2821(b) of such Act. Sec. 223. Effective during the period beginning on November 1, 2015 and ending January 1, 2021, any provision of law that refers (including through cross-reference to another provision of law) to the current recommendations of the United States Preventive Services Task Force with respect to breast cancer screening, mammography, and prevention shall be administered by the Secretary involved as if-- (1) such reference to such current recommendations were a reference to the recommendations of such Task Force with respect to breast cancer screening, mammography, and prevention last issued before 2009; and (2) such recommendations last issued before 2009 applied to any screening mammography modality under section 1861(jj) of the Social Security Act (42 U.S.C 1395x(jj)). Sec. 224. In making Federal financial assistance, the provisions relating to indirect costs in part 75 of title 45, Code of Federal Regulations, including with respect to the approval of deviations from negotiated rates, shall continue to apply to the National Institutes of Health to the same extent and in the same manner as such provisions were applied in the third quarter of fiscal ***year*** 2017. None of the funds appropriated in this or prior Acts or otherwise made available to the Department of Health and Human Services or to any department or agency may be used to develop or implement a modified approach to such provisions, or to intentionally or substantially expand the fiscal effect of the approval of such deviations from negotiated rates beyond the proportional effect of such approvals in such quarter. (***transfer*** of funds) Sec. 225. The NIH Director may ***transfer*** funds specifically appropriated for opioid addiction, opioid alternatives, pain management, and addiction treatment to other Institutes and Centers of the NIH to be used for the same purpose 15 days after notifying the Committees on Appropriations: Provided, That the ***transfer*** authority provided in the previous proviso is in addition to any other ***transfer*** authority provided by law. Sec. 226. (a) The Secretary shall provide to the Committees on Appropriations of the House of Representatives and the Senate: (1) Detailed monthly enrollment figures from the Exchanges established under the Patient Protection and Affordable Care Act of 2010 pertaining to enrollments during the open enrollment period; and (2) Notification of any new or competitive grant awards, including supplements, authorized under section 330 of the Public Health Service Act. (b) The Committees on Appropriations of the House and Senate must be notified at least 2 business days in advance of any public release of enrollment information or the award of such grants. Sec. 227. In addition to the amounts otherwise available for ``Centers for Medicare & Medicaid Services, ***Program*** Management'', the Secretary of Health and Human Services may ***transfer*** up to $305,000,000 to such account from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund to support ***program*** management activity related to the Medicare ***Program***: Provided, That except for the foregoing purpose, such funds may not be used to support any provision of Public Law 111-148 or Public Law 111-152 (or any amendment made by either such Public Law) or to supplant any other amounts within such account. (rescission) Sec. 228. Of the unobligated balances available in the ``Nonrecurring Expenses Fund'' established in section 223 of division G of Public Law 110-161, $400,000,000 are hereby rescinded. Sec. 229. Not later than the 15th day of each month, the Department of Health and Human Services shall provide the Committees on Appropriations of the House of Representatives and Senate a report on staffing described in the joint explanatory statement accompanying this Act. Sec. 230. Funds appropriated in this Act that are available for salaries and expenses of employees of the Department of Health and Human Services shall also be available to pay travel and related expenses of such an employee or of a member of his or her family, when such employee is assigned to duty, in the United States or in a U.S territory, during a period and in a location that are the subject of a determination of a public health emergency under section 319 of the Public Health Service Act and such travel is necessary to obtain medical care for an illness, injury, or medical condition that cannot be adequately addressed in that location at that time. For purposes of this section, the term ``U.S territory'' means Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, or the Trust Territory of the Pacific Islands. (including ***transfer*** of funds) Sec. 231. There is established in the Treasury a reserve fund to be known as the ``Infectious Diseases Rapid Response Reserve Fund'' (the ``Reserve Fund''): Provided, That of the funds provided under the heading ``CDC-Wide Activities and ***Program*** Support'', $50,000,000, to remain available until expended, shall be available to the Director of the CDC for deposit in the Reserve Fund: Provided further, That amounts in the Reserve Fund shall be for carrying out titles II, III, and XVII of the PHS Act to prevent, prepare for, or respond to an infectious disease emergency, including, in connection with such activities, to purchase or lease and provide for the insurance of passenger motor vehicles for official use in foreign countries: Provided further, That amounts in the Reserve Fund may only be provided for an infectious disease emergency if the infectious disease emergency (1) is declared by the Secretary of Health and Human Services under section 319 of the PHS Act to be a public health emergency; or (2) as determined by the Secretary, has significant potential to imminently occur and potential, on occurrence, to affect national security or the health and security of United States citizens, domestically or internationally: Provided further, That amounts in the Reserve Fund may be ***transferred*** by the Director of the CDC to other accounts of the CDC, to accounts of the NIH, or to the Public Health and Social Services Emergency Fund, to be merged with such accounts or Fund for the purposes provided in this section: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate shall be notified in advance of any ***transfer*** or obligation made under the authority provided in this section, including notification on the anticipated uses of such funds [[Page H8290]] by ***program***, project, or activity: Provided further, That not later than 15 days after notification of the planned use of the Reserve Fund, the Director shall provide a detailed spend plan of anticipated uses of funds, including estimated personnel and administrative costs, to the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That such plans shall be updated and submitted every 90 days thereafter until funds have been fully expended which should include the unobligated balances in the Reserve Fund and all the actual obligations incurred to date: Provided further, That amounts in the Reserve Fund shall be in addition to amounts otherwise available to the Department of Health and Human Services for the purposes provided in this section: Provided further, That the ***transfer*** authorities in this section are in addition to any ***transfer*** authority otherwise available to the Department of Health and Human Services: Provided further, That products purchased using amounts in the Reserve Fund may, at the discretion of the Secretary of Health and Human Services, be deposited in the Strategic National Stockpile under section 319F-2 of the PHS Act: Provided further, That this section shall be in effect as of the date of the enactment of this Act through each fiscal ***year*** hereafter. Sec. 232. The Department of Health and Human Services may accept donations from the private sector, nongovernmental organizations, and other groups independent of the Federal Government for the care of unaccompanied alien children (as defined in section 462(g)(2) of the Homeland Security Act of 2002 (6 U.S.C 279(g)(2))) in the care of the Office of Refugee Resettlement of the Administration for Children and Families, including medical goods and services, school supplies, toys, clothing, and any other items intended to promote the wellbeing of such children. Sec. 233. The Secretary shall submit to the Congress by November 15, 2018, a plan to promptly facilitate the reunification of children separated from their parents and placed in the custody of the Office of Refugee Resettlement (``ORR''), including the reunification of children with parents who are no longer in the United States: Provided, That such plan shall include possible children of potential class members in the class-action lawsuit Ms. L v. ICE, as identified in the Joint Status Report filed on September 6, 2018: Provided further, That such plan shall describe the activities the Administration has undertaken to locate parents who are no longer in the United States and to reunify those parents with their children, including (1) the process for tracking children and parents, (2) the process for coordinating interagency responsibilities for communication, location, and reunification of such parents, and (3) the number of parents that the Administration has been unable to contact: Provided further, That such plan shall provide detailed information on how many parents have been determined to be ineligible for reunification and the reasons for those determinations: Provided further, That such plan shall identify the number of children in ORR custody whose parents were deported that (1) have been reunified with their parents, (2) have been released into the custody of a family member other than a parent, (3) have been released into the custody of a sponsor who is not a family member, and (4) are still in ORR custody: Provided further, That such plan shall provide detailed information regarding the procedures the Administration follows when child sexual abuse is alleged at facilities operated by ORR contractors: Provided further, That such plan shall include an estimate of expenditures in fiscal ***year*** 2018 and an estimate of anticipated expenditures in fiscal ***year*** 2019 related to housing children who were separated from their parents at the border as well as activities to reunify such children with their parents: Provided further, That if such plan is not submitted by the deadline identified above, the Department of Health and Human Services may not, until such a plan has been submitted to the Congress, obligate funds from the Fund established by section 223 of title II of division G of Public Law 110-161, except to obligate funds for projects identified in the joint explanatory statement accompanying this Act. Sec. 234. None of the funds made available by this Act may be used to prevent a Member of the United States Congress from entering, for the purpose of conducting oversight, any facility in the United States, used for purposes of maintaining custody of or otherwise housing unaccompanied alien children (as defined in section 462(g)(2) of the Homeland Security Act of 2002 (6 U.S.C 279(g)(2))). This title may be cited as the ``Department of Health and Human Services Appropriations Act, 2019''. TITLE III DEPARTMENT OF EDUCATION Education for the Disadvantaged For carrying out title I and subpart 2 of part B of title II of the Elementary and Secondary Education Act of 1965 (referred to in this Act as ``ESEA'') and section 418A of the Higher Education Act of 1965 (referred to in this Act as ``HEA''), $16,543,790,000, of which $5,625,990,000 shall become available on July 1, 2019, and shall remain available through September 30, 2020, and of which $10,841,177,000 shall become available on October 1, 2019, and shall remain available through September 30, 2020, for academic ***year*** 2019- 2020: Provided, That $6,459,401,000 shall be for basic grants under section 1124 of the ESEA: Provided further, That up to $5,000,000 of these funds shall be available to the Secretary of Education (referred to in this title as ``Secretary'') on October 1, 2018, to obtain annually updated local educational agency-level census poverty data from the Bureau of the Census: Provided further, That $1,362,301,000 shall be for concentration grants under section 1124A of the ESEA: Provided further, That $4,019,050,000 shall be for targeted grants under section 1125 of the ESEA: Provided further, That $4,019,050,000 shall be for education finance incentive grants under section 1125A of the ESEA: Provided further, That $217,000,000 shall be for carrying out subpart 2 of part B of title II: Provided further, That $44,623,000 shall be for carrying out section 418A of the HEA. Impact Aid For carrying out ***programs*** of financial assistance to federally affected schools authorized by title VII of the ESEA, $1,446,112,000, of which $1,301,242,000 shall be for basic support ***payments*** under section 7003(b), $48,316,000 shall be for ***payments*** for children with disabilities under section 7003(d), $17,406,000, to remain available for obligation through September 30, 2020, shall be for construction under section 7007(b), $74,313,000 shall be for Federal property ***payments*** under section 7002, and $4,835,000, to remain available until expended, shall be for facilities maintenance under section 7008: Provided, That for purposes of computing the amount of a ***payment*** for an eligible local educational agency under section 7003(a) for school ***year*** 2018-2019, children enrolled in a school of such agency that would otherwise be eligible for ***payment*** under section 7003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 7003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status. School Improvement ***Programs*** For carrying out school improvement activities authorized by part B of title I, part A of title II, subpart 1 of part A of title IV, part B of title IV, part B of title V, and parts B and C of title VI of the ESEA; the McKinney-Vento Homeless Assistance Act; section 203 of the Educational Technical Assistance Act of 2002; the Compact of Free Association Amendments Act of 2003; and the Civil Rights Act of 1964, $5,246,967,000, of which $3,418,402,000 shall become available on July 1, 2019, and remain available through September 30, 2020, and of which $1,681,441,000 shall become available on October 1, 2019, and shall remain available through September 30, 2020, for academic ***year*** 2019-2020: Provided, That $378,000,000 shall be for part B of title I: Provided further, That $1,221,673,000 shall be for part B of title IV: Provided further, That $36,397,000 shall be for part B of title VI and may be used for construction, renovation, and modernization of any elementary school, secondary school, or structure related to an elementary school or secondary school, run by the Department of Education of the State of Hawaii, that serves a predominantly Native Hawaiian student body: Provided further, That $35,453,000 shall be for part C of title VI and shall be awarded on a competitive basis, and also may be used for construction: Provided further, That $52,000,000 shall be available to carry out section 203 of the Educational Technical Assistance Act of 2002 and the Secretary shall make such arrangements as determined to be necessary to ensure that the Bureau of Indian Education has access to services provided under this section: Provided further, That $16,699,000 shall be available to carry out the Supplemental Education Grants ***program*** for the Federated States of Micronesia and the Republic of the Marshall Islands: Provided further, That the Secretary may reserve up to 5 percent of the amount referred to in the previous proviso to provide technical assistance in the implementation of these grants: Provided further, That $180,840,000 shall be for part B of title V: Provided further, That $1,170,000,000 shall be available for grants under subpart 1 of part A of title IV. Indian Education For expenses necessary to carry out, to the extent not otherwise provided, title VI, part A of the ESEA, $180,239,000, of which $67,993,000 shall be for subpart 2 of part A of title VI and $6,865,000 shall be for subpart 3 of part A of title VI. Innovation and Improvement For carrying out activities authorized by subparts 1, 3 and 4 of part B of title II, and parts C, D, and E and subparts 1 and 4 of part F of title IV of the ESEA, $1,035,556,000: Provided, That $279,815,000 shall be for subparts 1, 3 and 4 of part B of title II and shall be made available without regard to sections 2201, 2231(b) and 2241: Provided further, That $625,741,000 shall be for parts C, D, and E and subpart 4 of part F of title IV, and shall be made available without regard to sections 4311, 4409(a), and 4601 of the ESEA: Provided further, That section 4303(d)(3)(A)(i) shall not apply to the funds available for part C of title IV: Provided further, That of the funds available for part C of title IV, the Secretary shall use $55,000,000 to carry out section 4304, of which not more than $10,000,000 shall be available to carry out section 4304(k), $135,000,000, to remain available through March 31, 2020, to carry out section 4305(b), and not more than $15,000,000 to carry out the activities in section 4305(a)(3): Provided further, That notwithstanding section 4601(b), $130,000,000 shall be available through December 31, 2019 for subpart 1 of part F of title IV. Safe Schools and Citizenship Education For carrying out activities authorized by subparts 2 and 3 of part F of title IV of the ESEA, $190,754,000: Provided, That $95,000,000 shall be [[Page H8291]] available for section 4631, of which up to $5,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence (Project SERV) ***program***: Provided further, That $17,500,000 shall be available for section 4625: Provided further, That $78,254,000 shall be available through December 31, 2019, for section 4624. English Language Acquisition For carrying out part A of title III of the ESEA, $737,400,000, which shall become available on July 1, 2019, and shall remain available through September 30, 2020, except that 6.5 percent of such amount shall be available on October 1, 2018, and shall remain available through September 30, 2020, to carry out activities under section 3111(c)(1)(C). Special Education For carrying out the Individuals with Disabilities Education Act (IDEA) and the Special Olympics Sport and Empowerment Act of 2004, $13,468,728,000, of which $3,942,129,000 shall become available on July 1, 2019, and shall remain available through September 30, 2020, and of which $9,283,383,000 shall become available on October 1, 2019, and shall remain available through September 30, 2020, for academic ***year*** 2019-2020: Provided, That the amount for section 611(b)(2) of the IDEA shall be equal to the lesser of the amount available for that activity during fiscal ***year*** 2018, increased by the amount of inflation as specified in section 619(d)(2)(B) of the IDEA, or the percent change in the funds appropriated under section 611(i) of the IDEA, but not less than the amount for that activity during fiscal ***year*** 2018: Provided further, That the Secretary shall, without regard to section 611(d) of the IDEA, distribute to all other States (as that term is defined in section 611(g)(2)), subject to the third proviso, any amount by which a State's allocation under section 611, from funds appropriated under this heading, is reduced under section 612(a)(18)(B), according to the following: 85 percent on the basis of the States' relative populations of children aged 3 through 21 who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education under this part, and 15 percent to States on the basis of the States' relative populations of those children who are living in poverty: Provided further, That the Secretary may not distribute any funds under the previous proviso to any State whose reduction in allocation from funds appropriated under this heading made funds available for such a distribution: Provided further, That the States shall allocate such funds distributed under the second proviso to local educational agencies in accordance with section 611(f): Provided further, That the amount by which a State's allocation under section 611(d) of the IDEA is reduced under section 612(a)(18)(B) and the amounts distributed to States under the previous provisos in fiscal ***year*** 2012 or any subsequent ***year*** shall not be considered in calculating the awards under section 611(d) for fiscal ***year*** 2013 or for any subsequent fiscal ***years***: Provided further, That, notwithstanding the provision in section 612(a)(18)(B) regarding the fiscal ***year*** in which a State's allocation under section 611(d) is reduced for failure to comply with the requirement of section 612(a)(18)(A), the Secretary may apply the reduction specified in section 612(a)(18)(B) over a period of consecutive fiscal ***years***, not to exceed five, until the entire reduction is applied: Provided further, That the Secretary may, in any fiscal ***year*** in which a State's allocation under section 611 is reduced in accordance with section 612(a)(18)(B), reduce the amount a State may reserve under section 611(e)(1) by an amount that bears the same relation to the maximum amount described in that paragraph as the reduction under section 612(a)(18)(B) bears to the total allocation the State would have received in that fiscal ***year*** under section 611(d) in the absence of the reduction: Provided further, That the Secretary shall either reduce the allocation of funds under section 611 for any fiscal ***year*** following the fiscal ***year*** for which the State fails to comply with the requirement of section 612(a)(18)(A) as authorized by section 612(a)(18)(B), or seek to recover funds under section 452 of the General Education Provisions Act (20 U.S.C 1234a): Provided further, That the funds reserved under 611(c) of the IDEA may be used to provide technical assistance to States to improve the capacity of the States to meet the data collection requirements of sections 616 and 618 and to administer and carry out other services and activities to improve data collection, coordination, quality, and use under parts B and C of the IDEA: Provided further, That the Secretary may use funds made available for the State Personnel Development Grants ***program*** under part D, subpart 1 of IDEA to evaluate ***program*** performance under such subpart. Rehabilitation Services For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, $3,657,189,000, of which $3,521,990,000 shall be for grants for vocational rehabilitation services under title I of the Rehabilitation Act: Provided, That the Secretary may use amounts provided in this Act that remain available subsequent to the reallotment of funds to States pursuant to section 110(b) of the Rehabilitation Act for innovative activities aimed at improving the outcomes of individuals with disabilities as defined in section 7(20)(B) of the Rehabilitation Act, including activities aimed at improving the education and post-school outcomes of children receiving Supplemental Security Income (``SSI'') and their families that may result in long-term improvement in the SSI child recipient's economic status and self-sufficiency: Provided further, That States may award subgrants for a portion of the funds to other public and private, nonprofit entities: Provided further, That any funds made available subsequent to reallotment for innovative activities aimed at improving the outcomes of individuals with disabilities shall remain available until September 30, 2020. Special Institutions for Persons With Disabilities american printing house for the blind For carrying out the Act to promote the Education of the Blind of March 3, 1879, $30,431,000. national technical institute for the deaf For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986, $77,500,000: Provided, That from the total amount available, the Institute may at its discretion use funds for the endowment ***program*** as authorized under section 207 of such Act. gallaudet university For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986, $134,361,000: Provided, That from the total amount available, the University may at its discretion use funds for the endowment ***program*** as authorized under section 207 of such Act. Career, Technical, and Adult Education For carrying out, to the extent not otherwise provided, the Carl D. Perkins Career and Technical Education Act of 2006 and the Adult Education and Family Literacy Act (``AEFLA''), $1,925,686,000, of which $1,134,686,000 shall become available on July 1, 2019, and shall remain available through September 30, 2020, and of which $791,000,000 shall become available on October 1, 2019, and shall remain available through September 30, 2020: Provided, That of the amounts made available for AEFLA, $13,712,000 shall be for national leadership activities under section 242. Student Financial Assistance For carrying out subparts 1, 3, and 10 of part A, and part C of title IV of the HEA, $24,445,352,000, which shall remain available through September 30, 2020. The maximum Pell Grant for which a student shall be eligible during award ***year*** 2019-2020 shall be $5,135. Student Aid Administration For Federal administrative expenses to carry out part D of title I, and subparts 1, 3, 9, and 10 of part A, and parts B, C, D, and E of title IV of the HEA, and subpart 1 of part A of title VII of the Public Health Service Act, $1,678,943,000, to remain available through September 30, 2020: Provided, That the Secretary shall allocate new student loan borrower accounts to eligible student loan servicers on the basis of their performance compared to all loan servicers utilizing established common metrics, and on the basis of the capacity of each servicer to process new and existing accounts: Provided further, That for student loan contracts awarded prior to October 1, 2017, the Secretary shall allow student loan borrowers who are consolidating Federal student loans to select from any student loan servicer to service their new consolidated student loan: Provided further, That in order to promote accountability and high-quality service to borrowers, the Secretary shall not award funding for any contract solicitation for a new Federal student loan servicing environment, including the solicitation for the FSA Next Generation Processing and Servicing Environment as amended by the Department of Education on February 20, 2018, unless such an environment provides for the participation of multiple student loan servicers that contract directly with the Department of Education to manage a unique portfolio of borrower accounts and the full life-cycle of loans from disbursement to pay-off with certain limited exceptions, and allocates student loan borrower accounts to eligible student loan servicers based on performance: Provided further, That such servicers described in the previous proviso shall be evaluated based on their ability to meet contract requirements, future performance on the contracts, and history of compliance with applicable consumer protections laws: Provided further, That to the extent Federal Student Aid (FSA) permits student loan servicing subcontracting, FSA shall hold prime contractors accountable for meeting the requirements of the contract, and the performance and expectations of subcontractors shall be accounted for in the prime contract and in the overall performance of the prime contractor: Provided further, That FSA shall ensure that the Next Generation Processing and Servicing Environment contracts incentivize more support to borrowers at risk of being distressed: Provided further, That the Secretary shall provide quarterly briefings to the Committees on Appropriations and Education and the Workforce of the House of Representatives and the Committees on Appropriations and Health, Education, Labor, and Pensions of the Senate on general progress related to solicitations for Federal student loan servicing contracts. Higher Education For carrying out, to the extent not otherwise provided, titles II, III, IV, V, VI, and VII of the HEA, the Mutual Educational and Cultural Exchange Act of 1961, and section 117 of the Carl D. Perkins Career and Technical Education Act of 2006, $2,312,356,000: Provided, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan [[Page H8292]] to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: Provided further, That of the funds referred to in the preceding proviso up to 1 percent may be used for ***program*** evaluation, national outreach, and information dissemination activities: Provided further, That up to 1.5 percent of the funds made available under chapter 2 of subpart 2 of part A of title IV of the HEA may be used for evaluation. Howard University For partial support of Howard University, $236,518,000, of which not less than $3,405,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended. College Housing and Academic Facilities Loans ***Program*** For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the HEA, $435,000. Historically Black College and University Capital Financing ***Program*** Account For the cost of guaranteed loans, $20,150,000, as authorized pursuant to part D of title III of the HEA, which shall remain available through September 30, 2020: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $580,000,000: Provided further, That these funds may be used to support loans to public and private Historically Black Colleges and Universities without regard to the limitations within section 344(a) of the HEA. In addition, $20,000,000 shall be made available to provide for the deferment of loans made under part D of title III of the HEA to eligible institutions that are private Historically Black Colleges and Universities, which apply for the deferment of such a loan and demonstrate financial need for such deferment by having a score of 2.6 or less on the Department of Education's financial responsibility test: Provided, That during the period of deferment of such a loan, interest on the loan will not accrue or be capitalized, and the period of deferment shall be for at least a period of 3- fiscal ***years*** and not more than 6-fiscal ***years***: Provided further, That funds available under this paragraph shall be used to fund eligible deferment requests submitted for this purpose in fiscal ***year*** 2018: Provided further, That the Secretary shall create and execute an outreach plan to work with States and the Capital Financing Advisory Board to improve outreach to States and help additional public Historically Black Colleges and Universities participate in the ***program***. In addition, for administrative expenses to carry out the Historically Black College and University Capital Financing ***Program*** entered into pursuant to part D of title III of the HEA, $334,000. Institute of Education Sciences For carrying out activities authorized by the Education Sciences Reform Act of 2002, the National Assessment of Educational Progress Authorization Act, section 208 of the Educational Technical Assistance Act of 2002, and section 664 of the Individuals with Disabilities Education Act, $615,462,000, which shall remain available through September 30, 2020: Provided, That funds available to carry out section 208 of the Educational Technical Assistance Act may be used to link Statewide elementary and secondary data systems with early childhood, postsecondary, and workforce data systems, or to further develop such systems: Provided further, That up to $6,000,000 of the funds available to carry out section 208 of the Educational Technical Assistance Act may be used for awards to public or private organizations or agencies to support activities to improve data coordination, quality, and use at the local, State, and national levels. Departmental Management ***program*** administration For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, $430,000,000: Provided, That, notwithstanding any other provision of law, none of the funds provided by this Act or provided by previous Appropriations Acts to the Department of Education available for obligation or expenditure in the current fiscal ***year*** may be used for any activity relating to implementing a reorganization that decentralizes, reduces the staffing level, or alters the responsibilities, structure, authority, or functionality of the Budget Service of the Department of Education, relative to the organization and operation of the Budget Service as in effect on January 1, 2018. office for civil rights For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $125,000,000. office of inspector general For expenses necessary for the Office of Inspector General, as authorized by section 212 of the Department of Education Organization Act, $61,143,000. General Provisions Sec. 301. No funds appropriated in this Act may be used to prevent the implementation of ***programs*** of voluntary prayer and meditation in the public schools. (***transfer*** of funds) Sec. 302. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the Department of Education in this Act may be ***transferred*** between appropriations, but no such appropriation shall be increased by more than 3 percent by any such ***transfer***: Provided, That the ***transfer*** authority granted by this section shall not be used to create any new ***program*** or to fund any project or activity for which no funds are provided in this Act: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any ***transfer***. Sec. 303. Section 105(f)(1)(B)(ix) of the Compact of Free Association Amendments Act of 2003 (48 U.S.C 1921d(f)(1)(B)(ix)) shall be applied by substituting ``2019'' for ``2009''. Sec. 304. Funds appropriated in this Act and consolidated for evaluation purposes under section 8601(c) of the ESEA shall be available from July 1, 2019, through September 30, 2020. Sec. 305. (a) An institution of higher education that maintains an endowment fund supported with funds appropriated for title III or V of the HEA for fiscal ***year*** 2019 may use the income from that fund to award scholarships to students, subject to the limitation in section 331(c)(3)(B)(i) of the HEA. The use of such income for such purposes, prior to the enactment of this Act, shall be considered to have been an allowable use of that income, subject to that limitation. (b) Subsection (a) shall be in effect until titles III and V of the HEA are reauthorized. Sec. 306. Section 114(f) of the HEA (20 U.S.C 1011c(f)) is amended by striking ``2018'' and inserting ``2019''. Sec. 307. Section 458(a) of the HEA (20 U.S.C 1087h(a)) is amended in paragraph (4) by striking ``2018'' and inserting ``2019''. Sec. 308. Funds appropriated in this Act under the heading ``Student Aid Administration'' may be available for ***payments*** for student loan servicing to an institution of higher education that services outstanding Federal Perkins Loans under part E of title IV of the Higher Education Act of 1965 (20 U.S.C 1087aa et seq.). Sec. 309. (a) Section 455(f) of the Higher Education Act of 1965 (20 U.S.C 1087e(f)) is amended-- (1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and (2) by inserting after paragraph (2) the following: ``(3) Deferment for borrowers receiving cancer treatment.-- ``(A) Effect on principal and interest.--A borrower of a loan made under this part who meets the requirements of subparagraph (B) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest shall not accrue. ``(B) Eligibility.--A borrower of a loan made under this part shall be eligible for a deferment during-- ``(i) any period in which such borrower is receiving treatment for cancer; and ``(ii) the 6 months after such period. ``(C) Applicability.--This paragraph shall apply with respect to loans-- ``(i) made on or after the date of the enactment of this paragraph; or ``(ii) in repayment on the date of the enactment of this paragraph.''. (b) Section 427(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C 1077(a)(2)(C)) is amended-- (1) in clause (ii), by striking ``; or'' and inserting a semicolon; (2) in clause (iii), by inserting ``or'' after the semicolon; and (3) by inserting after clause (iii) the following: ``(iv) in which the borrower is receiving treatment for cancer and the 6 months after such period.''. (c) Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C 1078(b)(1)(M)) is amended-- (1) in clause (iii), by striking ``or (II); or'' and inserting a ``or (II);''; (2) in clause (iv), by inserting ``or'' after the semicolon; and (3) by adding at the end the following: ``(v) during which the borrower is receiving treatment for cancer and the 6 months after such period;''. (d) Section 464(c)(2) of the Higher Education Act of 1965 (20 U.S.C 1087dd(c)(2)) is amended-- (1) in subparagraph (A)-- (A) in clause (iv), by striking ``; or'' and inserting a semicolon; (B) in clause (v), by inserting ``or'' after the semicolon; and (C) by inserting after clause (v) the following: ``(vi) during which the borrower is receiving treatment for cancer and the 6 months after such period;''. (e) Section 428H(e)(2) of the Higher Education Act of 1965 (20 U.S.C 1078-8(e)(2)) is amended-- (1) in subparagraph (A), by striking ``Interest'' and inserting, ``Except as provided in subparagraph (C), interest''; and (2) by adding at the end the following: ``(C) Interest shall not accrue on a loan deferred under section 428(b)(1)(M)(v) or 427(a)(2)(C)(iv).''. (f) The amendments made by this Act shall apply with respect to loans-- (1) made on or after the date of the enactment of this Act; or (2) in repayment on the date of the enactment of this Act. (rescission) Sec. 310. Of the unobligated balances available under the heading ``Student Financial Assistance'' for carrying out subpart 1 of part A of title IV of the HEA, $600,000,000 are hereby rescinded. (rescission) Sec. 311. Section 401(b)(7)(A)(iv)(IX) of the Higher Education Act of 1965 (20 U.S.C 1070a(b)(7)(A)(iv)(IX)) is amended by striking ``$1,409,000,000'' and inserting ``$1,370,000,000''. [[Page H8293]] Sec. 312. (a) An institution of higher education may, with explicit written consent of an applicant who has completed a FAFSA under such section 483(a), provide such information collected from the applicant's FAFSA as is necessary to a scholarship granting organization, including a tribal organization (defined in section 4 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5304)), or to an organization assisting the applicant in applying for and receiving Federal, State, local, or tribal assistance, that is designated by the applicant to assist the applicant in applying for and receiving financial assistance for any component of the applicant's cost of attendance (defined in section 472 of the HEA) at that institution. (b) An organization that receives information pursuant to subsection (a) shall not sell or otherwise share such information. (c) This section shall be in effect until title IV of the HEA is reauthorized. Sec. 313. For an additional amount for ``Department of Education--Federal Direct Student Loan ***Program*** Account'', $350,000,000, to remain available until expended, shall be for the cost, as defined under section 502 of the Congressional Budget Act of 1974, of the Secretary of Education providing loan cancellation in the same manner as under section 455(m) of the Higher Education Act of 1965 (20 U.S.C 1087e(m)), for borrowers of loans made under part D of title IV of such Act who would qualify for loan cancellation under section 455(m) except some, or all, of the 120 required ***payments*** under section 455(m)(1)(A) do not qualify for purposes of the ***program*** because they were monthly ***payments*** made in accordance with graduated or extended repayment plans as described under subparagraph (B) or (C) of section 455(d)(1) or the corresponding repayment plan for a consolidation loan made under section 455(g) and that were less than the amount calculated under section 455(d)(1)(A), based on a 10-***year*** repayment period: Provided, That the monthly ***payment*** made 12 months before the borrower applied for loan cancellation as described in the matter preceding this proviso and the most recent monthly ***payment*** made by the borrower at the time of such application were each not less than the monthly amount that would be calculated under, and for which the borrower would otherwise qualify for, clause (i) or (iv) of section 455(m)(1)(A) regarding income-based or income-contingent repayment plans, with exception for a borrower who would have otherwise been eligible under this section but demonstrates an unusual fluctuation of income over the past 5 ***years***: Provided further, That the total loan volume, including outstanding principal, fees, capitalized interest, or accrued interest, at application that is eligible for such loan cancellation by such borrowers shall not exceed $500,000,000: Provided further, That the Secretary shall develop and make available a simple method for borrowers to apply for loan cancellation under this section within 60 days of enactment of this Act: Provided further, That the Secretary shall provide loan cancellation under this section to eligible borrowers on a first-come, first-serve basis, based on the date of application and subject to both the limitation on total loan volume at application for such loan cancellation specified in the second proviso and the availability of appropriations under this section: Provided further, That no borrower may, for the same service, receive a reduction of loan obligations under both this section and section 428J, 428K, 428L, or 460 of such Act. Sec. 314. Of the amounts made available under this title under the heading ``Student Aid Administration'', $2,300,000 shall be used by the Secretary of Education to conduct outreach to borrowers of loans made under part D of title IV of the Higher Education Act of 1965 who may intend to qualify for loan cancellation under section 455(m) of such Act (20 U.S.C 1087e(m)), to ensure that borrowers are meeting the terms and conditions of such loan cancellation: Provided, That the Secretary shall specifically conduct outreach to assist borrowers who would qualify for loan cancellation under section 455(m) of such Act except that the borrower has made some, or all, of the 120 required ***payments*** under a repayment plan that is not described under section 455(m)(A) of such Act, to encourage borrowers to enroll in a qualifying repayment plan: Provided further, That the Secretary shall also communicate to all Direct Loan borrowers the full requirements of section 455(m) of such Act and improve the filing of employment certification by providing improved outreach and information such as outbound calls, electronic communications, ensuring prominent access to ***program*** requirements and benefits on each servicer's website, and creating an option for all borrowers to complete the entire ***payment*** certification process electronically and on a centralized website. Sec. 315. (a) For any local educational agency that for fiscal ***year*** 2018, had an enrollment of eligible Federally connected children that was at least 35 percent of the agency's total student enrollment and a per-pupil expenditure that was less than the average per-pupil expenditure of the State or of all the States, and was determined ineligible to receive a ***payment*** under section 7003(b)(2)(A) of the Elementary and Secondary Education Act of 1965 for failing to meet the average tax rate requirement for general fund purposes in section 7003(b)(2)(B)(i)(V)(bb), and whose calculated ***payment*** amount under section 7003(b) for the three ***years*** following fiscal ***year*** 2019 is less than 80 percent of the amount received for fiscal ***year*** 2019, the Secretary shall pay the local educational agency for the following three ***years*** not less than 90 percent of the total amount the local educational agency received under section 7003(b)(2) for fiscal ***year*** 2017 if such local educational agency-- (1) previously received a ***payment*** under section 7003(b)(2)(A) but did not receive a ***payment*** under section 7003(b)(2)(B)(ii) (or any predecessor of such provision) for each of fiscal ***years*** 2015 through 2017; and (2) was considered a local educational agency described in section 7003(b)(2)(B)(i)(V) (or any predecessor of such provision) for each such fiscal ***year***. (b) For fiscal ***year*** 2020 and succeeding fiscal ***years***, if a local educational agency described in subsection (a) is eligible to receive a basic support ***payment*** pursuant to section 7003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7703(b)(2)), the ***payment*** received by the local educational agency shall be calculated under section 7003(b)(2) of such Act and not under subsection (a). This title may be cited as the ``Department of Education Appropriations Act, 2019''. TITLE IV RELATED AGENCIES Committee for Purchase From People Who Are Blind or Severely Disabled salaries and expenses For expenses necessary for the Committee for Purchase From People Who Are Blind or Severely Disabled (referred to in this title as ``the Committee'') established under section 8502 of title 41, United States Code, $8,250,000: Provided, That in order to authorize any central nonprofit agency designated pursuant to section 8503(c) of title 41, United States Code, to perform requirements of the Committee as prescribed under section 51-3.2 of title 41, Code of Federal Regulations, the Committee shall enter into a written agreement with any such central nonprofit agency: Provided further, That such agreement shall contain such auditing, oversight, and reporting provisions as necessary to implement chapter 85 of title 41, United States Code: Provided further, That such agreement shall include the elements listed under the heading ``Committee For Purchase From People Who Are Blind or Severely Disabled--Written Agreement Elements'' in the explanatory statement described in section 4 of Public Law 114-113 (in the matter preceding division A of that consolidated Act): Provided further, That any such central nonprofit agency may not charge a fee under section 51-3.5 of title 41, Code of Federal Regulations, prior to executing a written agreement with the Committee: Provided further, That no less than $1,250,000 shall be available for the Office of Inspector General. Corporation for National and Community Service operating expenses For necessary expenses for the Corporation for National and Community Service (referred to in this title as ``CNCS'') to carry out the Domestic Volunteer Service Act of 1973 (referred to in this title as ``1973 Act'') and the National and Community Service Act of 1990 (referred to in this title as ``1990 Act''), $786,629,000, notwithstanding sections 198B(b)(3), 198S(g), 501(a)(4)(C), and 501(a)(4)(F) of the 1990 Act: Provided, That of the amounts provided under this heading: (1) up to 1 percent of ***program*** grant funds may be used to defray the costs of conducting grant application reviews, including the use of outside peer reviewers and electronic management of the grants cycle; (2) $17,538,000 shall be available to provide assistance to State commissions on national and community service, under section 126(a) of the 1990 Act and notwithstanding section 501(a)(5)(B) of the 1990 Act; (3) $32,000,000 shall be available to carry out subtitle E of the 1990 Act; and (4) $5,400,000 shall be available for expenses authorized under section 501(a)(4)(F) of the 1990 Act, which, notwithstanding the provisions of section 198P shall be awarded by CNCS on a competitive basis: Provided further, That for the purposes of carrying out the 1990 Act, satisfying the requirements in section 122(c)(1)(D) may include a determination of need by the local community. ***payment*** to the national service trust (including ***transfer*** of funds) For ***payment*** to the National Service Trust established under subtitle D of title I of the 1990 Act, $206,842,000, to remain available until expended: Provided, That CNCS may ***transfer*** additional funds from the amount provided within ``Operating Expenses'' allocated to grants under subtitle C of title I of the 1990 Act to the National Service Trust upon determination that such ***transfer*** is necessary to support the activities of national service participants and after notice is transmitted to the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That amounts appropriated for or ***transferred*** to the National Service Trust may be invested under section 145(b) of the 1990 Act without regard to the requirement to apportion funds under 31 U.S.C 1513(b). salaries and expenses For necessary expenses of administration as provided under section 501(a)(5) of the 1990 Act and under section 504(a) of the 1973 Act, including ***payment*** of salaries, authorized travel, hire of passenger motor vehicles, the rental of conference rooms in the District of Columbia, the employment of experts and consultants authorized under 5 U.S.C 3109, and not to exceed $2,500 for official reception and representation expenses, $83,737,000. office of inspector general For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, $5,750,000. administrative provisions Sec. 401. CNCS shall make any significant changes to ***program*** requirements, service delivery or policy only through public notice and comment rulemaking. For fiscal ***year*** 2019, during any grant selection process, an officer or [[Page H8294]] employee of CNCS shall not knowingly disclose any covered grant selection information regarding such selection, directly or indirectly, to any person other than an officer or employee of CNCS that is authorized by CNCS to receive such information. Sec. 402. AmeriCorps ***programs*** receiving grants under the National Service Trust ***program*** shall meet an overall minimum share requirement of 24 percent for the first 3 ***years*** that they receive AmeriCorps funding, and thereafter shall meet the overall minimum share requirement as provided in section 2521.60 of title 45, Code of Federal Regulations, without regard to the operating costs match requirement in section 121(e) or the member support Federal share limitations in section 140 of the 1990 Act, and subject to partial waiver consistent with section 2521.70 of title 45, Code of Federal Regulations. Sec. 403. Donations made to CNCS under section 196 of the 1990 Act for the purposes of financing ***programs*** and operations under titles I and II of the 1973 Act or subtitle B, C, D, or E of title I of the 1990 Act shall be used to supplement and not supplant current ***programs*** and operations. Sec. 404. In addition to the requirements in section 146(a) of the 1990 Act, use of an educational award for the purpose described in section 148(a)(4) shall be limited to individuals who are veterans as defined under section 101 of the Act. Sec. 405. For the purpose of carrying out section 189D of the 1990 Act-- (1) entities described in paragraph (a) of such section shall be considered ``qualified entities'' under section 3 of the National Child Protection Act of 1993 (``NCPA''); (2) individuals described in such section shall be considered ``volunteers'' under section 3 of NCPA; and (3) State Commissions on National and Community Service established pursuant to section 178 of the 1990 Act, are authorized to receive criminal history record information, consistent with Public Law 92-544. Sec. 406. Notwithstanding sections 139(b), 146 and 147 of the 1990 Act, an individual who successfully completes a term of service of not less than 1,200 hours during a period of not more than one ***year*** may receive a national service education award having a value of 70 percent of the value of a national service education award determined under section 147(a) of the Act. Corporation for Public Broadcasting For ***payment*** to the Corporation for Public Broadcasting (``CPB''), as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal ***year*** 2021, $445,000,000: Provided, That none of the funds made available to CPB by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: Provided further, That none of the funds made available to CPB by this Act shall be available or used to aid or support any ***program*** or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex: Provided further, That none of the funds made available to CPB by this Act shall be used to apply any political test or qualification in selecting, appointing, promoting, or taking any other personnel action with respect to officers, agents, and employees of CPB: Provided further, That none of the funds made available to CPB by this Act shall be used to support the Television Future Fund or any similar purpose. In addition, for the costs associated with replacing and upgrading the public broadcasting interconnection system and other technologies and services that create infrastructure and efficiencies within the public media system, $20,000,000. Federal Mediation and Conciliation Service salaries and expenses For expenses necessary for the Federal Mediation and Conciliation Service (``Service'') to carry out the functions vested in it by the Labor-Management Relations Act, 1947, including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978; and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, $46,650,000, including up to $900,000 to remain available through September 30, 2020, for activities authorized by the Labor-Management Cooperation Act of 1978: Provided, That notwithstanding 31 U.S.C 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: Provided further, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: Provided further, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction. Federal Mine Safety and Health Review Commission salaries and expenses For expenses necessary for the Federal Mine Safety and Health Review Commission, $17,184,000. Institute of Museum and Library Services office of museum and library services: grants and administration For carrying out the Museum and Library Services Act of 1996 and the National Museum of African American History and Culture Act, $242,000,000. Medicaid and CHIP ***Payment*** and Access Commission salaries and expenses For expenses necessary to carry out section 1900 of the Social Security Act, $8,480,000. Medicare ***Payment*** Advisory Commission salaries and expenses For expenses necessary to carry out section 1805 of the Social Security Act, $12,545,000, to be ***transferred*** to this appropriation from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund. National Council on Disability salaries and expenses For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, $3,250,000. National Labor Relations Board salaries and expenses For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor- Management Relations Act, 1947, and other laws, $274,224,000: Provided, That no part of this appropriation shall be available to organize or assist in organizing ***agricultural*** laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of ***agricultural*** laborers as referred to in section 2(3) of the Act of July 5, 1935, and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3(f) of the Act of June 25, 1938, and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes. administrative provisions Sec. 407. None of the funds provided by this Act or previous Acts making appropriations for the National Labor Relations Board may be used to issue any new administrative directive or regulation that would provide employees any means of voting through any electronic means in an election to determine a representative for the purposes of collective bargaining. National Mediation Board salaries and expenses For expenses necessary to carry out the provisions of the Railway Labor Act, including emergency boards appointed by the President, $13,800,000. Occupational Safety and Health Review Commission salaries and expenses For expenses necessary for the Occupational Safety and Health Review Commission, $13,225,000. Railroad Retirement Board dual benefits ***payments*** account For ***payment*** to the Dual Benefits ***Payments*** Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $19,000,000, which shall include amounts becoming available in fiscal ***year*** 2019 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for ***payment*** of vested dual benefits: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal ***year***. federal ***payments*** to the railroad retirement accounts For ***payment*** to the accounts established in the Treasury for the ***payment*** of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $150,000, to remain available through September 30, 2020, which shall be the maximum amount available for ***payment*** pursuant to section 417 of Public Law 98-76. limitation on administration For necessary expenses for the Railroad Retirement Board (``Board'') for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, $123,500,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund: Provided, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: Provided further, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: Provided further, That $10,000,000, to remain available until expended, shall be used to supplement, not supplant, existing resources devoted to operations and improvements for the Board's Information Technology Investment Initiatives. limitation on the office of inspector general For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than $11,000,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account. Social Security Administration ***payments*** to social security trust funds For ***payment*** to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal [[Page H8295]] Disability Insurance Trust Fund, as provided under sections 201(m) and 1131(b)(2) of the Social Security Act, $11,000,000. supplemental security income ***program*** For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including ***payment*** to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $41,366,203,000, to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal ***year*** and not obligated by the State during that ***year*** shall be returned to the Treasury: Provided further, That not more than $101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act, and remain available through September 30, 2021. For making, after June 15 of the current fiscal ***year***, benefit ***payments*** to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal ***year***, such sums as may be necessary. For making benefit ***payments*** under title XVI of the Social Security Act for the first quarter of fiscal ***year*** 2020, $19,700,000,000, to remain available until expended. limitation on administrative expenses For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed $20,000 for official reception and representation expenses, not more than $12,741,945,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to in such section: Provided, That not less than $2,400,000 shall be for the Social Security Advisory Board: Provided further, That $45,000,000 shall remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization: Provided further, That $100,000,000 shall remain available through September 30, 2020, for activities to address the disability hearings backlog within the Office of Hearings Operations: Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal ***year*** 2019 not needed for fiscal ***year*** 2019 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: Provided further, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso: Provided further, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made. Of the total amount made available in the first paragraph under this heading, not more than $1,683,000,000, to remain available through March 31, 2020, is for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the ***programs*** and operations of the Social Security Administration by Special Assistant United States Attorneys: Provided, That, of such amount, $273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and $1,410,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: Provided further, That, of the additional new budget authority described in the preceding proviso, up to $10,000,000 may be ***transferred*** to the ``Office of Inspector General'', Social Security Administration, for the cost of jointly operated co-operative disability investigation units: Provided further, That such ***transfer*** authority is in addition to any other ***transfer*** authority provided by law: Provided further, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal ***year***) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal ***years*** 1996 through 2002. In addition, $134,000,000 to be derived from administration fees in excess of $5.00 per supplementary ***payment*** collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal ***year*** 2019 exceed $134,000,000, the amounts shall be available in fiscal ***year*** 2020 only to the extent provided in advance in appropriations Acts. In addition, up to $1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended. office of inspector general (including ***transfer*** of funds) For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $30,000,000, together with not to exceed $75,500,000, to be ***transferred*** and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund. In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be ***transferred*** from the ``Limitation on Administrative Expenses'', Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: Provided, That notice of such ***transfers*** shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any ***transfer***. TITLE V GENERAL PROVISIONS (***transfer*** of funds) Sec. 501. The Secretaries of Labor, Health and Human Services, and Education are authorized to ***transfer*** unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act. Such ***transferred*** balances shall be used for the same purpose, and for the same periods of time, for which they were originally appropriated. Sec. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal ***year*** unless expressly so provided herein. Sec. 503. (a) No part of any appropriation contained in this Act or ***transferred*** pursuant to section 4002 of Public Law 111-148 shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation to the Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government, except in presentation to the executive branch of any State or local government itself. (b) No part of any appropriation contained in this Act or ***transferred*** pursuant to section 4002 of Public Law 111-148 shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local or tribal government in policymaking and administrative processes within the executive branch of that government. (c) The prohibitions in subsections (a) and (b) shall include any activity to advocate or promote any proposed, pending or future Federal, State or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale or marketing, including but not limited to the advocacy or promotion of gun control. Sec. 504. The Secretaries of Labor and Education are authorized to make available not to exceed $28,000 and $20,000, respectively, from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $5,000 from the funds available for ``Federal Mediation and Conciliation Service, Salaries and Expenses''; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $5,000 from funds available for ``National Mediation Board, Salaries and Expenses''. Sec. 505. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or ***programs*** funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state-- (1) the percentage of the total costs of the ***program*** or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or ***program***; and (3) percentage and dollar amount of the total costs of the project or ***program*** that will be financed by non-governmental sources. Sec. 506. (a) None of the funds appropriated in this Act, and none of the funds in any trust fund to which funds are appropriated in this Act, shall be expended for any abortion. (b) None of the funds appropriated in this Act, and none of the funds in any trust fund to which funds are appropriated in this Act, shall be expended for health benefits coverage that includes coverage of abortion. (c) The term ``health benefits coverage'' means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement. Sec. 507. (a) The limitations established in the preceding section shall not apply to an abortion-- (1) if the pregnancy is the result of an act of rape or incest; or [[Page H8296]] (2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. (b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds). (c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds). (d)(1) None of the funds made available in this Act may be made available to a Federal agency or ***program***, or to a State or local government, if such agency, ***program***, or government subjects any institutional or individual health care entity to discrimination on the basis that the health care entity does not provide, pay for, provide coverage of, or refer for abortions. (2) In this subsection, the term ``health care entity'' includes an individual physician or other health care professional, a hospital, a provider-sponsored organization, a health maintenance organization, a health insurance plan, or any other kind of health care facility, organization, or plan. Sec. 508. (a) None of the funds made available in this Act may be used for-- (1) the creation of a human embryo or embryos for research purposes; or (2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.204(b) and section 498(b) of the Public Health Service Act (42 U.S.C 289g(b)). (b) For purposes of this section, the term ``human embryo or embryos'' includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells. Sec. 509. (a) None of the funds made available in this Act may be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established under section 202 of the Controlled Substances Act except for normal and recognized executive-congressional communications. (b) The limitation in subsection (a) shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage. Sec. 510. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual's capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard. Sec. 511. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity if-- (1) such entity is otherwise a contractor with the United States and is subject to the requirement in 38 U.S.C 4212(d) regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and (2) such entity has not submitted a report as required by that section for the most recent ***year*** for which such requirement was applicable to such entity. Sec. 512. None of the funds made available in this Act may be ***transferred*** to any department, agency, or instrumentality of the United States Government, except pursuant to a ***transfer*** made by, or ***transfer*** authority provided in, this Act or any other appropriation Act. Sec. 513. None of the funds made available by this Act to carry out the Library Services and Technology Act may be made available to any library covered by paragraph (1) of section 224(f) of such Act, as amended by the Children's Internet Protection Act, unless such library has made the certifications required by paragraph (4) of such section. Sec. 514. (a) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal ***year*** 2019, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that-- (1) creates new ***programs***; (2) eliminates a ***program***, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes or renames offices; (6) reorganizes ***programs*** or activities; or (7) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committees on Appropriations of the House of Representatives and the Senate are consulted 15 days in advance of such reprogramming or of an announcement of intent relating to such reprogramming, whichever occurs earlier, and are notified in writing 10 days in advance of such reprogramming. (b) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal ***year*** 2019, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that-- (1) augments existing ***programs***, projects (including construction projects), or activities; (2) reduces by 10 percent funding for any existing ***program***, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing ***programs***, activities, or projects as approved by Congress; unless the Committees on Appropriations of the House of Representatives and the Senate are consulted 15 days in advance of such reprogramming or of an announcement of intent relating to such reprogramming, whichever occurs earlier, and are notified in writing 10 days in advance of such reprogramming. Sec. 515. (a) None of the funds made available in this Act may be used to request that a candidate for appointment to a Federal scientific advisory committee disclose the political affiliation or voting history of the candidate or the position that the candidate holds with respect to political issues not directly related to and necessary for the work of the committee involved. (b) None of the funds made available in this Act may be used to disseminate information that is deliberately false or misleading. Sec. 516. Within 45 days of enactment of this Act, each department and related agency funded through this Act shall submit an operating plan that details at the ***program***, project, and activity level any funding allocations for fiscal ***year*** 2019 that are different than those specified in this Act, the accompanying detailed table in the joint explanatory statement accompanying this Act or the fiscal ***year*** 2019 budget request. Sec. 517. The Secretaries of Labor, Health and Human Services, and Education shall each prepare and submit to the Committees on Appropriations of the House of Representatives and the Senate a report on the number and amount of contracts, grants, and cooperative agreements exceeding $500,000 in value and awarded by the Department on a non- competitive basis during each quarter of fiscal ***year*** 2019, but not to include grants awarded on a formula basis or directed by law. Such report shall include the name of the contractor or grantee, the amount of funding, the governmental purpose, including a justification for issuing the award on a non-competitive basis. Such report shall be transmitted to the Committees within 30 days after the end of the quarter for which the report is submitted. Sec. 518. None of the funds appropriated in this Act shall be expended or obligated by the Commissioner of Social Security, for purposes of administering Social Security benefit ***payments*** under title II of the Social Security Act, to process any claim for credit for a quarter of coverage based on work performed under a social security account number that is not the claimant's number and the performance of such work under such number has formed the basis for a conviction of the claimant of a violation of section 208(a)(6) or (7) of the Social Security Act. Sec. 519. None of the funds appropriated by this Act may be used by the Commissioner of Social Security or the Social Security Administration to pay the compensation of employees of the Social Security Administration to administer Social Security benefit ***payments***, under any agreement between the United States and Mexico establishing totalization arrangements between the social security system established by title II of the Social Security Act and the social security system of Mexico, which would not otherwise be payable but for such agreement. Sec. 520. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. Sec. 521. None of the funds made available under this or any other Act, or any prior Appropriations Act, may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, allied organizations, or successors. Sec. 522. For purposes of carrying out Executive Order 13589, Office of Management and Budget Memorandum M-12-12 dated May 11, 2012, and requirements contained in the annual appropriations bills relating to conference attendance and expenditures: (1) the operating divisions of HHS shall be considered independent agencies; and (2) attendance at and support for scientific conferences shall be tabulated separately from and not included in agency totals. Sec. 523. Federal agencies funded under this Act shall clearly state within the text, audio, or video used for advertising or educational purposes, including emails or Internet postings, that the communication is printed, published, or produced and disseminated at U.S taxpayer expense. The funds used by a Federal agency to carry out this requirement shall be derived from amounts made available to the agency for advertising or other communications regarding the ***programs*** and activities of the agency. Sec. 524. (a) Federal agencies may use Federal discretionary funds that are made available in this Act to carry out up to 10 Performance Partnership Pilots. Such Pilots shall be governed by the provisions of section 526 of division H of Public Law 113-76, except that in carrying out [[Page H8297]] such Pilots section 526 shall be applied by substituting ``Fiscal ***Year*** 2019'' for ``Fiscal ***Year*** 2014'' in the title of subsection (b) and by substituting ``September 30, 2023'' for ``September 30, 2018'' each place it appears: Provided, That such pilots shall include communities that have experienced civil unrest. (b) In addition, Federal agencies may use Federal discretionary funds that are made available in this Act to participate in Performance Partnership Pilots that are being carried out pursuant to the authority provided by section 526 of division H of Public Law 113-76, section 524 of division G of Public Law 113-235, section 525 of division H of Public Law 114-113, section 525 of division H of Public Law 115-31, and section 525 of division H of Public Law 115-141. (c) Pilot sites selected under authorities in this Act and prior appropriations Acts may be granted by relevant agencies up to an additional 5 ***years*** to operate under such authorities. Sec. 525. Not later than 30 days after the end of each ***calendar*** quarter, beginning with the first month of fiscal ***year*** 2019, the Departments of Labor, Health and Human Services and Education and the Social Security Administration shall provide the Committees on Appropriations of the House of Representatives and Senate a report on the status of balances of appropriations: Provided, That for balances that are unobligated and uncommitted, committed, and obligated but unexpended, the monthly reports shall separately identify the amounts attributable to each source ***year*** of appropriation (beginning with fiscal ***year*** 2012, or, to the extent feasible, earlier fiscal ***years***) from which balances were derived. (rescission) Sec. 526. Of the unobligated balances available in the ``National Service Trust'' established in section 102 of the National and Community Service Trust Act of 1993, $150,000,000 are hereby rescinded. (rescission) Sec. 527. Of any available amounts appropriated under section 2104(a)(22) of the Social Security Act (42 U.S.C 1397dd) that are unobligated as of September 25, 2019, $2,061,000,000 are hereby rescinded as of such date. Sec. 528. Amounts deposited in the Child Enrollment Contingency Fund prior to the beginning of fiscal ***year*** 2019 under section 2104(n)(2) of the Social Security Act and the income derived from investment of those funds pursuant to section 2104(n)(2)(C) of that Act, shall not be available for obligation in this fiscal ***year***. Sec. 529. Notwithstanding any other provision of this Act, no funds appropriated in this Act shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug: Provided, That such limitation does not apply to the use of funds for elements of a ***program*** other than making such purchases if the relevant State or local health department, in consultation with the Centers for Disease Control and Prevention, determines that the State or local jurisdiction, as applicable, is experiencing, or is at risk for, a significant increase in hepatitis infections or an HIV outbreak due to injection drug use, and such ***program*** is operating in accordance with State and local law. This division may be cited as the ``Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2019''. DIVISION C--CONTINUING APPROPRIATIONS ACT, 2019 The following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for fiscal ***year*** 2019, and for other purposes, namely: Sec. 101. Such amounts as may be necessary, at a rate for operations as provided in the applicable appropriations Acts for fiscal ***year*** 2018 and under the authority and conditions provided in such Acts, for continuing projects or activities (including the costs of direct loans and loan guarantees) that are not otherwise specifically provided for in this Act, that were conducted in fiscal ***year*** 2018, and for which appropriations, funds, or other authority were made available in the following appropriations Acts: (1) The ***Agriculture***, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018 (division A of Public Law 115-141), except section 783. (2) The Commerce, Justice, Science, and Related Agencies Appropriations Act, 2018 (division B of Public Law 115-141). (3) The Energy and Water Development and Related Agencies Appropriations Act, 2018 (division D of Public Law 115-141). (4) The Financial Services and General Government Appropriations Act, 2018 (division E of Public Law 115-31). (5) The Department of Homeland Security Appropriations Act, 2018 (division F of Public Law 115-141) and title II of division M of Public Law 115-141. (6) The Department of the Interior, Environment, and Related Agencies Appropriations Act, 2018 (division G of Public Law 115-141), except section 114, except for appropriations in the matter preceding the first proviso under the heading ``Dwight D. Eisenhower Memorial Commission--Capital Construction'', and except that the language in section 118 shall be applied as if the language read as follows: ``Section 6906 of title 31, United States Code, shall continue in effect for this fiscal ***year***''. (7) The Legislative Branch Appropriations Act, 2018 (division I of Public Law 115-141) and section 7(a) of Public Law 115-141. (8) The Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018 (division J of Public Law 115-141), except section 243. (9) The Department of State, Foreign Operations, and Related ***Programs*** Appropriations Act, 2018 (division K of Public Law 115-141). (10) The Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2018 (division L of Public Law 115-141). Sec. 102. Appropriations made by section 101 shall be available to the extent and in the manner that would be provided by the pertinent appropriations Act. Sec. 103. No appropriation or funds made available or authority granted pursuant to section 101 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during fiscal ***year*** 2018. Sec. 104. Appropriations made and authority granted pursuant to this Act shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this Act. Sec. 105. Unless otherwise provided for in this Act or in the applicable appropriations Act for fiscal ***year*** 2019, appropriations and funds made available and authority granted pursuant to this Act shall be available until whichever of the following first occurs: (1) the enactment into law of an appropriation for any project or activity provided for in this Act; (2) the enactment into law of the applicable appropriations Act for fiscal ***year*** 2019 without any provision for such project or activity; or (3) December 7, 2018. Sec. 106. Expenditures made pursuant to this Act shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law. Sec. 107. Appropriations made and funds made available by or authority granted pursuant to this Act may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing in this Act may be construed to waive any other provision of law governing the apportionment of funds. Sec. 108. Notwithstanding any other provision of this Act, except section 105, for those ***programs*** that would otherwise have high initial rates of operation or complete distribution of appropriations at the beginning of fiscal ***year*** 2019 because of distributions of funding to States, foreign countries, grantees, or others, such high initial rates of operation or complete distribution shall not be made, and no grants shall be awarded for such ***programs*** funded by this Act that would impinge on final funding prerogatives. Sec. 109. This Act shall be implemented so that only the most limited funding action of that permitted in the Act shall be taken in order to provide for continuation of projects and activities. Sec. 110. (a) For entitlements and other mandatory ***payments*** whose budget authority was provided in appropriations Acts for fiscal ***year*** 2018, and for activities under the Food and Nutrition Act of 2008, activities shall be continued at the rate to maintain ***program*** levels under current law, under the authority and conditions provided in the applicable appropriations Act for fiscal ***year*** 2018, to be continued through the date specified in section 105(3). (b) Notwithstanding section 105, obligations for mandatory ***payments*** due on or about the first day of any month that begins after October 2018 but not later than 30 days after the date specified in section 105(3) may continue to be made, and funds shall be available for such ***payments***. Sec. 111. Amounts made available under section 101 for civilian personnel compensation and benefits in each department and agency may be apportioned up to the rate for operations necessary to avoid furloughs within such department or agency, consistent with the applicable appropriations Act for fiscal ***year*** 2018, except that such authority provided under this section shall not be used until after the department or agency has taken all necessary actions to reduce or defer non-personnel-related administrative expenses. Sec. 112. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 (22 U.S.C 2412), section 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C 2680), section 313 of the Foreign Relations Authorization Act, Fiscal ***Years*** 1994 and 1995 (22 U.S.C 6212), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C 3094(a)(1)). Sec. 113. (a) Each amount incorporated by reference in this Act that was previously designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 or as being for disaster relief pursuant to section 251(b)(2)(D) of such Act is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to section 251(b)(2)(A) of such Act or as being for disaster relief pursuant to section 251(b)(2)(D) of such Act, respectively. (b) Section 6 of Public Law 115-141 shall apply to amounts designated in subsection (a) for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement. Sec. 114. Amounts made available by section 101 for ``Department of ***Agriculture***--Food and Nutrition Service-- Child Nutrition ***Programs***'' to carry out section 749(g) of the ***Agriculture*** Appropriations Act of 2010 (Public Law 111-80) may be apportioned up to the rate for operations necessary to ensure that the ***program*** can be fully operational by May, 2019. [[Page H8298]] Sec. 115. Notwithstanding section 101, amounts are available in the ``Rural Utilities Service--Rural Water and Waste Disposal ***Program*** Account'' of the Department of ***Agriculture*** for gross obligations for the principal amount of direct loans as authorized by section 306 of the Consolidated Farm and Rural Development Act not to exceed $4,141,176,000. Sec. 116. Amounts provided by section 110 to the Department of ***Agriculture*** for ``Corporations--Commodity Credit Corporation Fund--Reimbursement for Net Realized Losses'' may be used, prior to the completion of the report described in section 2 of the Act of August 17, 1961 (15 U.S.C 713a-11), to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, as reflected in the June 2018 report of its financial condition. Sec. 117. In addition to amounts provided by section 101, amounts are provided for ``Department of ***Agriculture***-- ***Agricultural*** Research Service--Salaries and Expenses'' at a rate for operations of $42,000,000 for the operation and maintenance of the National Bio and Agro-Defense Facility. Sec. 118. Any ***program***, authority, or provision, including any pilot ***program***, authorized under the Violence Against Women Reauthorization Act of 2013 (Public Law 113-4; 127 Stat. 54) shall continue in effect through the date specified in section 105(3) of this Act. Sec. 119. (a) Funds made available by section 101 for ``Department of Energy--Energy ***Programs***--Uranium Enrichment Decontamination and Decommissioning Fund'' may be apportioned up to the rate for operations necessary to avoid disruption of continuing projects or activities funded in this appropriation. (b) The Secretary of Energy shall notify the Committees on Appropriations of the House of Representatives and the Senate not later than 3 days after each use of the authority provided in subsection (a). Sec. 120. Notwithstanding section 101, the matter preceding the first proviso under the heading ``Department of Energy--Power Marketing Administrations--Operation and Maintenance, Southwestern Power Administration'' in division D of the Consolidated Appropriations Act, 2018 (Public Law 115-141) shall be applied by substituting ``$43,488,000'' for ``$30,288,000''; the first proviso under such heading shall be applied by substituting ``$33,088,000'' for ``$18,888,000''; and the second proviso under such heading shall be applied by substituting ``$10,400,000'' for ``$11,400,000''. Sec. 121. Notwithstanding section 101, amounts are provided to the Department of the Treasury for ``Departmental Offices--Salaries and Expenses'' at a rate for operations of $214,576,000. Sec. 122. Notwithstanding any other provision of this Act, except section 105, the District of Columbia may expend local funds under the heading ``District of Columbia Funds'' for such ***programs*** and activities under the District of Columbia Appropriations Act, 2018 (title IV of division E of Public Law 115-141) at the rate set forth under ``Part A--Summary of Expenses'' as included in the Fiscal ***Year*** 2019 Local Budget Act of 2018 (D.C Act 22-397), as modified as of the date of the enactment of this Act. Sec. 123. Amounts made available by section 101 for ``Small Business Administration--Business Loans ***Program*** Account'' may be apportioned up to the rate for operations necessary to accommodate increased demand for commitments for general business loans authorized under section 7(a) of the Small Business Act (15 U.S.C 636(a)). Sec. 124. Amounts made available by section 101 for ``Department of Homeland Security--Federal Emergency Management Agency--Disaster Relief Fund'' may be apportioned up to the rate for operations necessary to carry out response and recovery activities under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.). Sec. 125. The Secretary of Homeland Security may ***transfer*** up to $15,000,000 in unexpended balances of amounts made available to the Department of Homeland Security under the heading ``Science and Technology Directorate--Operations and Support'' in division F of the Consolidated Appropriations Act, 2018 (Public Law 115-141) to the Department of ***Agriculture*** for the purpose of contract support of the operations of the National Bio and Agro-defense Facility. Sec. 126. Amounts made available by section 101 for the ``U.S Customs and Border Protection--Operations and Support'', ``U.S Immigration and Customs Enforcement-- Operations and Support'', and ``United States Secret Service--Operations and Support'' accounts of the Department of Homeland Security may be apportioned at a rate for operations necessary to maintain not less than the number of the staff achieved on September 30, 2018. Sec. 127. Amounts made available by section 101 for the Department of Homeland Security for ``United States Secret Service--Procurement, Construction, and Improvements'' may be apportioned up to the rate for operations necessary to purchase base platform vehicles in support of the fully armored vehicle ***program***. Sec. 128. Amounts made available by section 101 to the Department of Homeland Security for ``Office of the Secretary and Executive Management--Operations and Support'', ``Management Directorate--Operations and Support'', and ``Intelligence, Analysis, and Operations Coordination-- Operations and Support'' may be apportioned up to the rate for operations necessary to carry out activities previously funded by the Working Capital Fund of the Department of Homeland Security, consistent with the fiscal ***year*** 2019 President's Budget. Sec. 129. (a) In addition to amounts provided by section 101, amounts are provided for ``Department of Health and Human Services--Indian Health Service--Indian Health Services'' at a rate for operations of $14,112,000, for an additional amount for costs of staffing and operating facilities that were opened, renovated, or expanded in fiscal ***year*** 2018, and such amounts may be apportioned up to the rate for operations necessary to staff and operate such facilities. (b) In addition to amounts provided by section 101, amounts are provided for ``Department of Health and Human Services-- Indian Health Service--Indian Health Facilities'' at a rate for operations of $1,200,000, for an additional amount for costs of staffing and operating facilities that were opened, renovated, or expanded in fiscal ***year*** 2018, and such amounts may be apportioned up to the rate for operations necessary to staff and operate newly constructed facilities. Sec. 130. Section 810 of the Federal Lands Recreation Enhancement Act (16 U.S.C 6809) shall be applied by substituting ``September 30, 2020'' for ``September 30, 2019''. Sec. 131. Notwithstanding section 101, the matter preceding the first proviso and the second proviso under the heading ``Environmental Protection Agency--Hazardous Waste Electronic Manifest System Fund'' in division G of Public Law 115-141 shall be applied by substituting ``$8,000,000'' for ``$3,674,000'' each place it appears: Provided, That such amounts may be apportioned up to the rate for operations necessary and amounts made available by section 101 for ``Environmental Protection Agency'' may be ***transferred*** between appropriations under such heading as necessary to ensure that the Hazardous Waste Electronic Manifest System becomes fully operational. Sec. 132. (a) The following sections of the Federal Insecticide, Fungicide, and Rodenticide Act shall continue in effect through the date specified in section 105(3) of this Act-- (1) subparagraphs (C) through (E) of section 4(i)(1) (7 U.S.C 136a-1(i)(1)(C)-(E)); (2) section 4(k)(3) (7 U.S.C 136a-1(k)(3)); (3) section 4(k)(4) (7 U.S.C 136a-1(k)(4)); and (4) section 33(c)(3)(B) (7 U.S.C 136w-8(c)(3)(B)). (b)(1) Section 4(i)(1)(I) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C 136a-1(i)(1)(I)) shall be applied by substituting the date specified in section 105(3) of this Act for ``September 30, 2017''. (2) Notwithstanding section 33(m)(2) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C 136w- 8(m)(2)), section 33(m)(1) of such Act (7 U.S.C 136w- 8(m)(1)) shall be applied by substituting the date specified in section 105(3) of this Act for ``September 30, 2017''. (c) Section 408(m)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 346a(m)(3)) shall be applied by substituting the date specified in section 105(3) of this Act for ``September 30, 2017''. Sec. 133. Activities authorized under part A of title IV and section 1108(b) of the Social Security Act shall continue through the date specified in section 105(3) of this Act in the manner authorized for fiscal ***year*** 2018, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Sec. 134. The authority provided by section 7081(h) of division J of the Consolidated Appropriations Act, 2017 (Public Law 115-31) shall apply through the date specified in section 105(3). Sec. 135. Effective upon enactment of this Act, the matter under the heading ``Federal Railroad Administration--Railroad Rehabilitation and Improvement Financing ***Program***'' in division L of the Consolidated Appropriations Act, 2018 (Public Law 115-141) is amended-- (1) by striking the third and fourth provisos and inserting the following provisos: ``Provided further, That, not later than 30 days after the date of enactment of the Continuing Appropriations Act, 2019, the Secretary of Transportation, in consultation with the Director of the Office of Management and Budget, shall define the term `cohorts of loans' for purposes of section 502(f)(4) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C 822(f)(4)) (as in effect on the day before the amendments made by section 11607 of Public Law 114-94 (129 Stat. 1698) took effect): Provided further, That, when all obligations attached to a cohort of loans have been satisfied, the Secretary of Transportation shall return to the original source, on a pro rata basis, the credit risk premiums paid for the loans in the cohort, with interest accrued thereon, that were not used to mitigate losses, not later than 60 days after the date of enactment of the Continuing Appropriations Act, 2019 or, for a cohort of loans with obligations that have not yet been satisfied, not later than 60 days after the date on which all obligations attached to the cohort have been satisfied:''; and (2) by striking ``for a fiscal ***year***'' in the fifth proviso. This division may be cited as the ``Continuing Appropriations Act, 2019''. And the Senate agree to the same. Rodney P. Frelinghuysen, Kay Granger, Tom Cole, Ken Calvert, Steve Womack, Robert B. Aderholt, Harold Rogers, Martha Roby, Nita M. Lowey, Peter J. Visclosky, Rosa DeLauro, Lucille Roybal-Allard, Betty McCollum, Managers on the Part of the House. Richard C. Shelby, Roy Blunt, Lindsey Graham, [[Page H8299]] Jerry Moran, Patrick J. Leahy, Patty Murray, Richard J. Durbin (Except Senate receding on Senate section 252), Managers on the Part of the Senate. JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R 6157) making appropriations for the Department of Defense for the fiscal ***year*** ending September 30, 2019, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. This conference agreement includes the Department of Defense Appropriations Act, 2019, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2019, and the Continuing Appropriations Act, 2019. The Senate amendment included the Senate version of the Defense Appropriations bill (S. 3159) and added the Labor, Health and Human Services, and Education and Related Agencies bill (S. 3158). The House bill included the House version of the Defense Appropriations bill (H.R      6157) only. H.R 6157 was passed by the House on June 28, 2018 and used as the vehicle for the Senate amendment, which passed the Senate on August 23, 2018. The agreement also includes continuing appropriations for fiscal ***year*** 2019. Section 1 of the conference agreement is the short title of the bill. Section 2 of the conference agreement displays a table of contents. Section 3 of the conference agreement states that, unless expressly provided otherwise, any reference to ``this Act'' contained in any division shall be treated as referring only to the provisions of that division. Section 4 provides a statement of appropriations. The conference agreement does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined by clause 9 of rule XXI of the Rules of the House of Representatives. DIVISION A--DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2019 The conference agreement on the Department of Defense Appropriations Act, 2019, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 115-769 and Senate Report 115-290 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary. DEFINITION OF ***PROGRAM***, PROJECT, AND ACTIVITY For the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), and by the Budget Enforcement Act of 1990 (Public Law 101-508), the terms ``***program***, project, and activity'' for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 2019, the related classified annexes and explanatory statements, and the P-1 and R-1 budget justification documents as subsequently modified by congressional action. The following exception to the above definition shall apply: the military personnel and the operation and maintenance accounts, for which the term ``***program***, project, and activity'' is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits the budget request for fiscal ***year*** 2020, the Secretary of Defense is directed to transmit to the congressional defense committees budget justification documents to be known as the ``M-1'' and the ``O-1'' which shall identify, at the budget activity, activity group, and sub-activity group level, the amounts requested by the President to be appropriated to the Department of Defense for military personnel and operation and maintenance in any budget request, or amended budget request, for fiscal ***year*** 2020. REPROGRAMMING GUIDANCE The Secretary of Defense is directed to continue to follow the reprogramming guidance for acquisition accounts as specified in the report accompanying the House version of the Department of Defense Appropriations bill for Fiscal ***Year*** 2008 (House Report 110-279). The dollar threshold for reprogramming funds shall be $10,000,000 for military personnel; $15,000,000 for operation and maintenance; $20,000,000 for procurement; and $10,000,000 for research, development, test and evaluation. Also, the Under Secretary of Defense (Comptroller) is directed to continue to provide the congressional defense committees annual DD Form 1416 reports for titles I and II and quarterly, spreadsheet-based DD Form 1416 reports for Service and defense wide accounts in titles III and IV of this Act. Reports for titles III and IV shall comply with guidance specified in the explanatory statement accompanying the Department of Defense Appropriations Act, 2006. The Department shall continue to follow the limitation that prior approval reprogrammings are set at either the specified dollar threshold or 20 percent of the procurement or research, development, test and evaluation line, whichever is less. These thresholds are cumulative from the base for reprogramming value as modified by any adjustments. Therefore, if the combined value of ***transfers*** into or out of a military personnel (M-1), an operation and maintenance (O- 1), a procurement (P-1), or a research, development, test and evaluation (R-1) line exceeds the identified threshold, the Secretary of Defense must submit a prior approval reprogramming to the congressional defense committees. In addition, guidelines on the application of prior approval reprogramming procedures for congressional special interest items are established elsewhere in this statement. FUNDING INCREASES The funding increases outlined in the tables for each appropriation account shall be provided only for the specific purposes indicated in the tables. CONGRESSIONAL SPECIAL INTEREST ITEMS Items for which additional funds have been provided or items for which funding is specifically reduced as shown in the project level tables or in paragraphs using the phrase ``only for'' or ``only to'' are congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount, as specifically addressed in the explanatory statement. CLASSIFIED ANNEX Adjustments to classified ***programs*** are addressed in the accompanying classified annex. OTHER TRANSACTION AUTHORITY The conferees support the use of Other Transaction Authority (OTA) pursuant to section 2371b of title 10, United States Code for prototyping projects to enhance the mission effectiveness of the Department of Defense. However, the conferees are concerned with the lack of transparency surrounding the employment of OTA, particularly for follow-on production. Therefore, the conferees direct the Secretary of Defense to provide quarterly reports to the House and Senate Appropriations Committees not later than 30 days after the close of each fiscal quarter, detailing the Department's execution of funds for OTA prototype projects. Such reports shall be submitted beginning with the first quarter of fiscal ***year*** 2019 and shall include a classified annex, if necessary. The report shall list each active OTA agreement characterized by Service or agency, major command, contracting activity, appropriation, budget line item, minimum and maximum award value, vendor, obligations and expenditures to date, product service code, and period of performance. Other Transaction Authority agreements that include an option for follow-on production shall be clearly annotated in the report and include a description of the scope of the follow-on production, including estimated cost, period of performance, deliverables, delivery dates, and source of funding. Further, the conferees direct the Comptroller General to review the Department's use of OTA pursuant to section 2371b of title 10, United States Code to determine whether the Department's employment of this authority conforms to applicable statutes and Departmental guidelines, to include the identification of any potential conflicts with section 1301 of title 31, United States Code. As part of this review, the Comptroller General shall also report on the extent that OTAs have been utilized since fiscal ***year*** 2016 and quantify OTA prototype agreements, including those with options for follow-on production, by Service or agency, appropriation, and other characteristics, as appropriate. The Comptroller General shall provide the congressional defense committees the assessment not later than 180 days after the enactment of this Act. INDIRECT FIRE PROTECTION CAPABILITY In support of the Indirect Fire Protection Capability (IFPC) ***program*** of record, the Army's fiscal ***year*** 2019 budget includes procurement requests totaling $173,204,000 for AIM- 9X interceptors, Multi-Mission Launcher (MML) components, and other ancillary costs. This request is in addition to $50,056,000 of fiscal ***year*** 2018 funding that remains unexecuted. The request also includes $208,740,000 for continued research, development, test and evaluation of the current IFPC ***program*** of record, while prior ***year*** funding also remains available due to the decision not to award the IFPC milestone B Engineering and Manufacturing Development contract. The conferees note that following the submission of the fiscal ***year*** 2019 budget request, the Army initiated reviews of the existing IFPC ***program*** of record and alternate courses of action (COA) prior to the milestone B decision. These alternate COA include the development and integration of an alternate interceptor to the previously proposed AIM-9X interceptor with modifications to the MML, as well as the analysis of at least two other distinct weapons systems. The conferees further note that section 112 of the John S. McCain National Defense Authorization Act for Fiscal ***Year*** 2019 directs the Army to deploy two batteries of an interim, fixed site cruise missile defense capability by September 30, 2020, subject to the availability of appropriations. The conference agreement supports the Army's pursuit of this defensive capability; [[Page H8300]] however, the conferees remain concerned that the current budget request does not support any change in acquisition strategy or procurement and integration of available interim defense capabilities and is unexecutable as requested. The conferees direct the Secretary of the Army to provide a report to the congressional defense committees not later than 30 days after the enactment of this Act that details the results of the Army's internal review, revised acquisition strategy, and resulting resourcing requirements. The report shall also include an analysis and recommendations on the multiple COA under review; the supporting cost estimates for each COA across the future ***years*** defense ***program*** (FYDP); a ***program*** schedule for the selected COA; an analysis and recommendations for interim capabilities and proposed acquisition schedule; the proposed execution of prior ***year*** available balances and current IFPC resources by appropriation, budget line, and project across the FYDP for both the ***program*** of record and interim capabilities; and a plan to resource any identified shortfalls for the selected ***program*** of record COA and interim capabilities that will be pursued through the reprogramming of available resources and other means, as necessary. CLOUD COMPUTING The conferees believe cloud computing, if implemented properly, will have far reaching benefits for improving the efficiency of day-to-day operations of the Department of Defense, as well as enabling new military capabilities critical to maintaining a tactical advantage over adversaries. The conference agreement includes a general provision directing the Secretary of Defense to provide a comprehensive strategy for cloud computing and to propose a plan for a budget accounting system that provides greater transparency to evaluate the cost and progress of transitioning to a cloud computing environment. The conferees are not suggesting that the Department implement a separate, new financial management system for cloud computing, but urge the Secretary of Defense to adapt the current system to provide reliable and timely data on the budgets requested and funds expended to procure cloud computing services, and the budgets requested and funds expended to prepare and implement legacy systems for migration to the cloud environment. ADVANCED BATTLE MANAGEMENT SYSTEM The conferees support the Air Force's new approach to battle management, the Advanced Battle Management System (ABMS), but are concerned with the near-term risks in cancelling the Joint Surveillance Target Attack Radar System recapitalization ***program***. The conferees direct the Secretary of the Air Force to submit a report to the congressional defense committees not later than 90 days after the enactment of this Act on a revised ABMS plan and execution strategy, updated costs and schedules of each activity within the ABMS plan, and a gap and threat assessment of both the ground moving target indicator and battle management command and control mission areas. This language replaces the language under the heading ``Joint Surveillance Target Attack Radar System Recapitalization'' in House Report 115-769 and the language under the heading ``Advanced Battle Management System'' in Senate Report 115-290. CIVILIAN PAY RAISE The conference agreement includes sufficient funding to provide for a 1.9 percent pay raise for civilian employees of the Department of Defense and other agencies funded by this Act, if authorized by another provision of law. ARMY CORPS OF ENGINEERS RESTRUCTURING On July 30, 2018, the Secretary of Defense approved a Secretary of the Army memorandum identifying specific actions the Army will take in support of the Administration's proposed reorganization of the United States Army Corps of Engineers' (USACE) Civil Works ***Program***. The reorganization includes taking the Civil Works ***program*** out of the Army Corps of Engineers with navigation going to the Department of Transportation for infrastructure grants and the remaining accounts to the Department of the Interior. The conferees are opposed to the reorganization as it could ultimately have detrimental readiness and operational impacts on Department of Defense functions and activities, to include USACE support to ongoing military operations, international partners, and support to United States military installations around the world. The conferees are extremely concerned that the Secretary of the Army failed to provide any notification or engage in any discussion with Members of Congress, the House and Senate Appropriations Committees, or their staff on an action of this magnitude, which crosses multiple jurisdictional lines and has far-reaching consequences. This type of proposal, as the Department is well aware, will require legislative language which has not been proposed or requested to date. Therefore, no funds provided in this Act or any previous Act shall be used by the Department or the Secretary to plan, prepare, or implement this proposal. TITLE I--MILITARY PERSONNEL The agreement provides $138,537,041,000 in Title I, Military Personnel, as follows: [[Page H8301]] [GRAPHIC] [TIFF OMITTED] TH091318.001 [[Page H8302]] SUMMARY OF MILITARY PERSONNEL END STRENGTH -------------------------------------------------------------------------------------------------------------------------------------------------------- Fiscal ***year*** 2019 ------------------------------------------------------------------------------------------ Fiscal ***year*** Change from 2018 Budget House Senate Conference Change from fiscal ***year*** authorized Request request 2018 -------------------------------------------------------------------------------------------------------------------------------------------------------- Active Forces (End Strength): Army..................................................... 483,500 487,500 487,500 485,741 487,500 - - - 4,000 Navy..................................................... 327,900 335,400 335,400 331,900 335,400 - - - 7,500 Marine Corps............................................. 186,100 186,100 186,100 186,100 186,100 - - - 100 Air Force................................................ 325,100 329,100 329,100 325,720 329,100 - - - 4,000 Total, Active Forces................................. 1,322,500 1,338,100 1,338,100 1,329,461 1,338,100 - - - 15,600 Guard and Reserve Forces (End Strength): Army Reserve............................................. 199,500 199,500 199,500 199,500 199,500 - - - - - - Navy Reserve............................................. 59,000 59,100 59,100 59,000 59,100 - - - 100 Marine Corps Reserve..................................... 38,500 38,500 38,500 38,500 38,500 - - - - - - Air Force reserve........................................ 69,800 70,000 70,000 69,800 70,000 - - - 200 Army National Guard...................................... 343,500 343,500 343,500 343,500 343,500 - - - - - - Air National Guard....................................... 106,600 107,100 107,100 106,600 107,100 - - - 500 Total, Selected Reserve.............................. 816,900 817,700 817,700 816,900 817,700 - - - 800 ------------------------------------------------------------------------------------------ Total, Military Personnel............................ 2,139,400 2,155,800 2,155,800 2,146,361 2,155,800 - - - 16,400 -------------------------------------------------------------------------------------------------------------------------------------------------------- SUMMARY OF GUARD AND RESERVE FULL-TIME STRENGTH -------------------------------------------------------------------------------------------------------------------------------------------------------- Fiscal ***year*** 2019 ------------------------------------------------------------------------------------------ Fiscal ***year*** Change from 2018 Budget House Senate Conference Change from fiscal ***year*** authorized Request request 2018 -------------------------------------------------------------------------------------------------------------------------------------------------------- Active Guard and Reserve: Army Reserve............................................. 16,261 16,386 16,386 16,261 16,386 - - - 125 Navy Reserve............................................. 10,101 10,110 10,110 10,101 10,110 - - - 9 Marine Corps Reserve..................................... 2,261 2,261 2,261 2,261 2,261 - - - - - - Air Force Reserve........................................ 3,588 3,849 3,849 3,588 3,849 - - - 261 Army National Guard...................................... 30,155 30,595 30,595 30,155 30,595 - - - 440 Air National Guard....................................... 16,260 19,861 19,861 19,450 19,861 - - - 3,601 ------------------------------------------------------------------------------------------ Total, Full-Time Support............................. 78,626 83,062 83,062 81,816 83,062 - - - 4,436 -------------------------------------------------------------------------------------------------------------------------------------------------------- Military Personnel Overview The conference agreement provides the resources required for an additional 15,600 active forces and 800 selected reserve forces above fiscal ***year*** 2018 levels, as requested and authorized by current law, in order to meet operational needs for fiscal ***year*** 2019. The conference agreement also provides the funding necessary to support a 2.6 percent pay raise for all military personnel, as authorized, effective January 1, 2019. REPROGRAMMING GUIDANCE FOR MILITARY PERSONNEL ACCOUNTS The Secretary of Defense is directed to submit the Base for Reprogramming (DD Form 1414) for each of the fiscal ***year*** 2019 appropriations accounts not later than 60 days after the enactment of this Act. The Secretary of Defense is prohibited from executing any reprogramming or ***transfer*** of funds for any purpose other than originally appropriated until the aforementioned report is submitted to the House and Senate Defense Appropriations Subcommittees. The Secretary of Defense is directed to use the normal prior approval reprogramming procedures to ***transfer*** funds in the Services' military personnel accounts between budget activities in excess of $10,000,000. MILITARY PERSONNEL SPECIAL INTEREST ITEMS Items for which additional funds have been provided or have been specifically reduced as shown in the project level tables or in paragraphs using the phrase ``only for'' or ``only to'' in the explanatory statement are congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount as specifically addressed in the explanatory statement. Below Threshold Reprogrammings may not be used to either restore or reduce funding from congressional special interest items as identified on the DD Form 1414. RESERVE OFFICER TRAINING CORPS The conferees support Reserve Officer Training Corps (ROTC) ***programs*** at universities and colleges. The ROTC ***program*** provides necessary tools for young men and women to serve in the military. The House included two provisions which would ban the termination or closure of Senior ROTC or ROTC ***programs*** at Historically Black Colleges, Hispanic or Tribal Universities/Colleges. The Department of Defense has advised the conferees that they have not initiated any efforts for the past several ***years*** to terminate these ***programs*** and/or units. The conferees urge the Secretary of Defense to continue to foster these ***programs***, especially at Historically Black Colleges, Hispanic or Tribal Universities/Colleges, to ensure the best and brightest remain interested in military service. BLENDED RETIREMENT SYSTEM Pursuant to sections 631 through 635 of the National Defense Authorization Act for Fiscal ***Year*** 2016, the Department of Defense began modernizing the retirement system for members of the uniformed services by implementing a Blended Retirement System (BRS) that incorporates Thrift Savings Plan (TSP) contributions, Continuation Pays (CP), and a reduced-rate version of the traditional defined-benefit pension. Servicemembers who enter military service on or after January 1, 2018 are covered automatically by BRS. Those who began serving prior to December 31, 2017 are grandfathered under the legacy retirement system, with the ability to opt-in to the BRS from January 1, 2018 through December 31, 2018, if the member has less than 12 ***years*** of service in active duty or has accumulated less than 4, 320 points for reserve members. For servicemembers separating from the military with fewer than 20 ***years***, the new system provides for retirement benefits outside of the standing defined-benefit pension, enabling a larger population of servicemembers to obtain retirement benefits. The fiscal ***year*** 2018 budget submission was the Department's first opportunity to request appropriations for TSP and CP requirements. Initial estimates were consistent across the military Services based on budgeting assumptions informed by valuations of the military retirement system via the Department of Defense Office of the Actuary. Following the markup of the Department of Defense Appropriations Acts by the House and Senate Appropriations Committees, the Department submitted an omnibus reprogramming request identifying $1,679,947,000 in base military personnel funding available for realignment to higher priorities, of which the Department identified $442,475,000 as excess to need due to overestimation of BRS. In addition, another $77,000,000 was identified as BRS resources available for a future reprogramming action. The conferees understand that this new approach to military retirement will take the Department time to educate and enroll participants, gather data, formulate revised assumptions, and more accurately inform budget projections. However, given that the fiscal ***year*** 2019 budget request was formulated by applying similar BRS assumptions as those used in fiscal ***year*** 2018, the Department has revised its fiscal ***year*** 2019 BRS projection and identified an estimated $732,000,000 asset based on current actuals experienced in the ***year*** of execution. As such, the associated reductions have been distributed throughout the military personnel appropriation accounts and redistributed to title II in a general provision to mitigate higher than anticipated fuel costs. The conferees expect budgeting for the BRS will become more accurate over time. Military Personnel, Army The agreement provides $42,690,042,000 for Military Personnel, Army, as follows: [[Page H8303]] [GRAPHIC] [TIFF OMITTED] TH091318.002 [[Page H8304]] [GRAPHIC] [TIFF OMITTED] TH091318.003 [[Page H8305]] [GRAPHIC] [TIFF OMITTED] TH091318.004 [[Page H8306]] Military Personnel, Navy The agreement provides $30,164,481,000 for Military Personnel, Navy, as follows: [[Page H8307]] [GRAPHIC] [TIFF OMITTED] TH091318.005 [[Page H8308]] [GRAPHIC] [TIFF OMITTED] TH091318.006 [[Page H8309]] [GRAPHIC] [TIFF OMITTED] TH091318.007 [[Page H8310]] Military Personnel, Marine Corps The agreement provides $13,779,038,000 for Military Personnel, Marine Corps, as follows: [[Page H8311]] [GRAPHIC] [TIFF OMITTED] TH091318.008 [[Page H8312]] [GRAPHIC] [TIFF OMITTED] TH091318.009 [[Page H8313]] [GRAPHIC] [TIFF OMITTED] TH091318.010 [[Page H8314]] Military Personnel, Air Force The agreement provides $30,074,691,000 for Military Personnel, Air Force, as follows: [[Page H8315]] [GRAPHIC] [TIFF OMITTED] TH091318.011 [[Page H8316]] [GRAPHIC] [TIFF OMITTED] TH091318.012 [[Page H8317]] [GRAPHIC] [TIFF OMITTED] TH091318.013 [[Page H8318]] Reserve Personnel, Army The agreement provides $4,836,947,000 for Reserve Personnel, Army, as follows: [[Page H8319]] [GRAPHIC] [TIFF OMITTED] TH091318.014 [[Page H8320]] [GRAPHIC] [TIFF OMITTED] TH091318.015 [[Page H8321]] Reserve Personnel, Navy The agreement provides $2,049,021,000 for Reserve Personnel, Navy, as follows: [[Page H8322]] [GRAPHIC] [TIFF OMITTED] TH091318.016 [[Page H8323]] [GRAPHIC] [TIFF OMITTED] TH091318.017 [[Page H8324]] Reserve Personnel, Marine Corps The agreement provides $782,390,000 for Reserve Personnel, Marine Corps, as follows: [[Page H8325]] [GRAPHIC] [TIFF OMITTED] TH091318.018 [[Page H8326]] [GRAPHIC] [TIFF OMITTED] TH091318.019 [[Page H8327]] Reserve Personnel, Air Force The agreement provides $1,860,406,000 for Reserve Personnel, Air Force, as follows: [[Page H8328]] [GRAPHIC] [TIFF OMITTED] TH091318.020 [[Page H8329]] [GRAPHIC] [TIFF OMITTED] TH091318.021 [[Page H8330]] National Guard Personnel, Army The agreement provides $8,600,945,000 for National Guard Personnel, Army, as follows: [[Page H8331]] [GRAPHIC] [TIFF OMITTED] TH091318.022 [[Page H8332]] [GRAPHIC] [TIFF OMITTED] TH091318.023 [[Page H8333]] Reserve Personnel, Air Force For Reserve Personnel, Air Force, funds are to be available for fiscal ***year*** 2019, as follows: National Guard Personnel, Air Force The agreement provides $3,699,080,000 for National Guard Personnel, Air Force, as follows: [[Page H8334]] [GRAPHIC] [TIFF OMITTED] TH091318.024 [[Page H8335]] [GRAPHIC] [TIFF OMITTED] TH091318.025 [[Page H8336]] TITLE II--OPERATION AND MAINTENANCE The agreement provides $193,682,875,000 in Title II, Operation and Maintenance, as follows: [[Page H8337]] [GRAPHIC] [TIFF OMITTED] TH091318.026 [[Page H8338]] REPROGRAMMING GUIDANCE FOR OPERATION AND MAINTENANCE ACCOUNTS The Secretary of Defense is directed to submit the Base for Reprogramming (DD Form 1414) for each of the fiscal ***year*** 2019 appropriation accounts not later than 60 days after the enactment of this Act. The Secretary of Defense is prohibited from executing any reprogramming or ***transfer*** of funds for any purpose other than originally appropriated until the aforementioned report is submitted to the House and Senate Defense Appropriations Subcommittees. The Secretary of Defense is directed to use the normal prior approval reprogramming procedures to ***transfer*** funds in the Services' operation and maintenance accounts between O-1 budget activities, or between sub-activity groups in the case of Operation and Maintenance, Defense-Wide, in excess of $15,000,000. In addition, the Secretary of Defense shall follow prior approval reprogramming procedures for ***transfers*** in excess of $15,000,000 out ofthe following readiness sub- activity groups: Army: Maneuver units Modular support brigades Land forces operations support Aviation assets Force readiness operations support Land forces depot maintenance Base operations support Facilities sustainment, restoration, and modernization Specialized skill training Navy: Mission and other flight operations Fleet air training Aircraft depot maintenance Mission and other ship operations Ship depot maintenance Facilities sustainment, restoration, and modernization Marine Corps: Operational forces Field logistics Depot maintenance Facilities sustainment, restoration, and modernization Air Force: Primary combat forces Combat enhancement forces Depot purchase equipment maintenance Facilities sustainment, restoration, and modernization Contractor logistics support and system support Flying hour ***program*** Air Force Reserve: Primary combat forces Air National Guard: Aircraft operations Additionally, the Secretary of Defense is directed to use normal prior approval reprogramming procedures when implementing ***transfers*** in excess of $15,000,000 into the following budget sub-activities: Operation and Maintenance, Army: Recruiting and advertising Operation and Maintenance, Army National Guard: Other personnel support/recruiting and advertising OPERATION AND MAINTENANCE SPECIAL INTEREST ITEMS Items for which additional funds have been provided or have been specifically reduced as shown in the project level tables or in paragraphs using the phrase ``only for'' or ``only to'' in the explanatory statement are congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount as specifically addressed in the explanatory statement. Below Threshold Reprogrammings may not be used to either restore or reduce funding from congressional special interest items as identified on the DD Form 1414. REPROGRAMMING GUIDANCE FOR SPECIAL OPERATIONS COMMAND The Secretary of Defense is directed to submit a baseline report that shows the Special Operations Command's operation and maintenance funding by sub-activity group for the fiscal ***year*** 2019 appropriation not later than 60 days after the enactment of this Act. The Secretary of Defense is further directed to submit quarterly execution reports to the congressional defense committees not later than 45 days after the end of each fiscal quarter that addresses the rationale for the realignment of any funds within and between budget sub-activities and the movement of any base funds used to support overseas contingency operations. Finally, the Secretary of Defense is directed to notify the congressional defense committees 30 days prior to the realignment of funds in excess of $15,000,000 between sub-activity groups. ADVERTISING SPENDING TO SMALL AND DISADVANTAGED BUSINESSES The conferees direct the Secretary of Defense to submit a report to the congressional defense committees not later than 90 days after the enactment of this Act which estimates the portion of the Department of Defense advertising budget that is spent on advertising and public relations contracts with socially and economically disadvantaged small businesses and women, low-income veteran, and minority entrepreneurs and business owners at the prime and subcontracting levels. ENVIRONMENTAL RESTORATION FUNDING The conference agreement provides the maximum executable level of funding for the Services to address costs associated with remediating contamination caused by perfluorinated chemicals, as well as additional funding to address other high-priority environmental restoration projects across the Department. LEAD IN MILITARY PRIVATIZED HOUSING Section 8132 of the Senate-passed Defense Appropriations bill directs the Comptroller General, in consultation with the Secretary of Defense and the Service Secretaries, to provide a report on the monitoring compliance and remediation of lead in military housing. The conferees are concerned that servicemembers and their families residing in on-post military housing may have been exposed to toxic levels of lead based paint. The conferees understand that military installations around the country possess housing units containing lead based paint levels exceeding the federal threshold for acceptable levels, which could have negative health implications for servicemembers and their families. The conferees direct the Comptroller General to conduct an investigation and submit a report to the congressional defense committees on toxic lead levels at military housing on all installations not later than 120 days after the enactment of this Act. Operation and Maintenance, Army The agreement provides $40,145,482,000 for Operation and Maintenance, Army, as follows: [[Page H8339]] [GRAPHIC] [TIFF OMITTED] TH091318.027 [[Page H8340]] [GRAPHIC] [TIFF OMITTED] TH091318.028 [[Page H8341]] [GRAPHIC] [TIFF OMITTED] TH091318.029 [[Page H8342]] [GRAPHIC] [TIFF OMITTED] TH091318.030 [[Page H8343]] [GRAPHIC] [TIFF OMITTED] TH091318.031 [[Page H8344]] MORALE, WELFARE, AND RECREATION The conferees encourage the Secretary of the Army to provide sufficient resources at Morale, Welfare, and Recreation facilities that have been closed as a result of flooding, an earthquake, a wildfire, or a volcanic event in 2018. This includes facilities that have furloughed or put employees on administrative leave as well as those that have used revenue or operating reserves to pay operation and maintenance expenses. Operation and Maintenance, Navy The agreement provides $48,034,826,000 for Operation and Maintenance, Navy, as follows: [[Page H8345]] [GRAPHIC] [TIFF OMITTED] TH091318.032 [[Page H8346]] [GRAPHIC] [TIFF OMITTED] TH091318.033 [[Page H8347]] [GRAPHIC] [TIFF OMITTED] TH091318.034 [[Page H8348]] [GRAPHIC] [TIFF OMITTED] TH091318.035 [[Page H8349]] [GRAPHIC] [TIFF OMITTED] TH091318.036 [[Page H8350]] [GRAPHIC] [TIFF OMITTED] TH091318.037 [[Page H8351]] Operation and Maintenance, Marine Corps The agreement provides $6,540,049,000 for Operation and Maintenance, Marine Corps, as follows: [[Page H8352]] [GRAPHIC] [TIFF OMITTED] TH091318.038 [[Page H8353]] [GRAPHIC] [TIFF OMITTED] TH091318.039 [[Page H8354]] [GRAPHIC] [TIFF OMITTED] TH091318.040 [[Page H8355]] Operation and Maintenance, Air Force The agreement provides $40,379,184,000 for Operation and Maintenance, Air Force, as follows: [[Page H8356]] [GRAPHIC] [TIFF OMITTED] TH091318.041 [[Page H8357]] [GRAPHIC] [TIFF OMITTED] TH091318.042 [[Page H8358]] [GRAPHIC] [TIFF OMITTED] TH091318.043 [[Page H8359]] [GRAPHIC] [TIFF OMITTED] TH091318.044 [[Page H8360]] [GRAPHIC] [TIFF OMITTED] TH091318.045 [[Page H8361]] E-8C MAINTENANCE The conferees direct the Comptroller General to submit a report to the congressional defense committees not later than January 31, 2019 on E-8C Joint Surveillance Target Attack Radar System (JSTARS) maintenance. The report shall compare the cost expenditures of organic industrial depot maintenance of the E-8C JSTARS fleet versus contracted or non-organic maintenance and the cost variance and cost savings of different ***programmed*** depot maintenance cycles or procedures for the E-8C fleet, including comparisons to such other platforms as the Comptroller General considers appropriate. REPUBLIC OF PALAU The conference agreement provides $9,700,000 to reimburse the Republic of Palau for land acquisition costs to enable the installation of critical defense assets. The conferees note that this one-time investment will provide a measurable advantage in United States strategic posture. Operation and Maintenance, Defense-Wide The agreement provides $35,613,354,000 for Operation and Maintenance, Defense-Wide, as follows: [[Page H8362]] [GRAPHIC] [TIFF OMITTED] TH091318.046 [[Page H8363]] [GRAPHIC] [TIFF OMITTED] TH091318.047 [[Page H8364]] [GRAPHIC] [TIFF OMITTED] TH091318.048 [[Page H8365]] [GRAPHIC] [TIFF OMITTED] TH091318.049 [[Page H8366]] [GRAPHIC] [TIFF OMITTED] TH091318.050 [[Page H8367]] [GRAPHIC] [TIFF OMITTED] TH091318.051 [[Page H8368]] SECURITY ASSISTANCE ***PROGRAMS*** The conferees recognize and appreciate the efforts made in the National Defense Authorization Act for Fiscal ***Year*** 2017 and the John S. McCain National Defense Authorization Act for Fiscal ***Year*** 2019 to reform several ***programs*** that provide security assistance to international partners. Changes have touched on several Department of Defense ***programs***, including the Coalition Support Fund, border security ***programs***, and building partner capacity/security cooperation ***programs***. While largely supportive of these efforts, the conferees are concerned that confusion exists, within the Department of Defense and among recipient countries, about the remaining disparate and still-changing authorities. The conferees are also concerned with the lack of stability, transparency, and fungibility of funds appropriated for security assistance activities and believe that changes may be needed in various appropriations to ensure that appropriate levels of funding are provided for each newly authorized or modified ***program***. Therefore, the conferees direct the Secretary of Defense to conduct a review of security assistance ***programs***, including, but not limited to, security cooperation ***programs*** authorized in Section 333 of the National Defense Authorization Act for Fiscal ***Year*** 2017, border security assistance ***programs*** authorized by Section 1226 of the National Defense Authorization Act for Fiscal ***Year*** 2016 as modified, and the Coalition Support Fund authorized by Section 1223 of the National Defense Authorization Act for Fiscal ***Year*** 2008 as modified. The review should include a survey of Department of Defense security assistance requirements of each combatant command and a study of whether existing authorities are sufficient to meet the security assistance needs of the Department of Defense, including whether funding limitations inhibit security assistance requirements. The conferees direct that the results of the review be submitted to Congress with the fiscal ***year*** 2020 budget request submission, and include proposals for any needed modifications to security assistance authorities and appropriations funding levels or language. The conferees further direct the Director of the Defense Security Cooperation Agency, in conjunction with the geographic combatant commanders, to provide a spend plan for fiscal ***year*** 2019, by combatant command, for security assistance funding to the congressional defense committees not later than 30 days after the enactment of this Act. The spend plan should be provided in a form that compares the plans for both the base and overseas contingency operations requests and provides an annual comparison for the preceding five ***years***. A similar plan shall be provided outlining fiscal ***year*** 2020 requirements concurrent with the submission of the fiscal ***year*** 2020 budget request. BACKGROUND INVESTIGATIONS The Administration has announced plans to wholly ***transfer*** the National Background Investigations Bureau (NBIB) to the Department of Defense. The conferees expect the Department of Defense will use the existing NBIB skilled workforce as part of the plan to maintain continuity and to support a successful transition of services. The conferees recognize the importance of this workforce in reducing the backlog of investigations and in establishing new processes for streamlining the current system. DEFENSE SECURITY SERVICE The Defense Security Service (DSS) is preparing to accept responsibility for all civilian and defense agency background investigations. The conferees note with concern that DSS provided multiple and amended budget documents during the fiscal ***year*** 2019 budget cycle, which indicate changing plans and corresponding budget requirements. The conferees expect that DSS will improve its resource planning to ensure future budget requests support a consistent strategy. The conferees direct the Director of DSS to provide quarterly execution briefings to the congressional defense committees on activities related to background investigations during fiscal ***year*** 2019. COMMEMORATING THE ANNIVERSARY OF THE END OF WORLD WAR II The United States will celebrate the occasion of the seventy-fifth anniversary of the end of World War II in 2020. In order to honor the nation's veterans, educate the public, and recognize the contributions of the home front and allies during the war, the conferees urge the Secretary of Defense to evaluate ways in which the Department can support the commemoration, to include providing resources for related activities. CYBERSPACE SOLARIUM COMMISSION Section 1652 of the John S. McCain National Defense Act for Fiscal ***Year*** 2019 establishes the Cyberspace Solarium Commission to develop a consensus on a strategic approach to defending the United States in cyberspace against cyber attacks of significant consequences. The conferees encourage the Secretary of Defense to provide the resources necessary to support this effort. Operation and Maintenance, Army Reserve The agreement provides $2,781,402,000 for Operation and Maintenance, Army Reserve, as follows: [[Page H8369]] [GRAPHIC] [TIFF OMITTED] TH091318.052 [[Page H8370]] [GRAPHIC] [TIFF OMITTED] TH091318.053 [[Page H8371]] Operation and Maintenance, Navy Reserve The agreement provides $1,018,006,000 for Operation and Maintenance, Navy Reserve, as follows: [[Page H8372]] [GRAPHIC] [TIFF OMITTED] TH091318.054 [[Page H8373]] [GRAPHIC] [TIFF OMITTED] TH091318.055 [[Page H8374]] Operation and Maintenance, Marine Corps Reserve The agreement provides $271,570,000 for Operation and Maintenance, Marine Corps Reserve, as follows: [[Page H8375]] [GRAPHIC] [TIFF OMITTED] TH091318.056 [[Page H8376]] [GRAPHIC] [TIFF OMITTED] TH091318.057 [[Page H8377]] Operation and Maintenance, Air Force Reserve The agreement provides $3,191,734,000 for Operation and Maintenance, Air Force Reserve, as follows: [[Page H8378]] [GRAPHIC] [TIFF OMITTED] TH091318.058 [[Page H8379]] [GRAPHIC] [TIFF OMITTED] TH091318.059 [[Page H8380]] Operation and Maintenance, Army National Guard The agreement provides $7,118,831,000 for Operation and Maintenance, Army National Guard, as follows: [[Page H8381]] [GRAPHIC] [TIFF OMITTED] TH091318.060 [[Page H8382]] [GRAPHIC] [TIFF OMITTED] TH091318.061 [[Page H8383]] Operation and Maintenance, Air National Guard The agreement provides $6,420,697,000 for Operation and Maintenance, Air National Guard, as follows: [[Page H8384]] [GRAPHIC] [TIFF OMITTED] TH091318.062 [[Page H8385]] [GRAPHIC] [TIFF OMITTED] TH091318.063 [[Page H8386]] United States Court of Appeals for the Armed Forces The agreement provides $14,662,000 for the United States Court of Appeals for the Armed Forces. Environmental Restoration, Army The agreement provides $235,809,000, an increase of $32,360,000 above the budget request, for Environmental Restoration, Army. Specifically, $7,360,000 is provided as a general ***program*** increase and $25,000,000 is provided to address costs associated with remediating contamination caused by perfluorinated chemicals. Environmental Restoration, Navy The agreement provides $365,883,000, an increase of $36,630,000 above the budget request, for Environmental Restoration, Navy. Specifically, $7,500,000 is provided as a general ***program*** increase and $29,130,000 is provided to address costs associated with remediating contamination, including activities related to contamination caused by perfluorinated chemicals. Environmental Restoration, Air Force The agreement provides $365,808,000, an increase of $69,000,000 above the budget request, for Environmental Restoration, Air Force. An increase of $80,000,000 is provided to address costs associated with remediating contamination caused by perfluorinated chemicals. The adjustment also includes a ***transfer*** of $11,000,000 to Operation and Maintenance, Air National Guard for execution. Environmental Restoration, Defense-Wide The agreement provides $19,002,000, an increase of $10,076,000 above the budget request, for Environmental Restoration, Defense-Wide. Environmental Restoration, Formerly Used Defense Sites The agreement provides $248,673,000, an increase of $36,327,000 above the budget request, for Environmental Restoration, Formerly Used Defense Sites. Overseas Humanitarian, Disaster, and Civic Aid The agreement provides $117,663,000, an increase of $10,000,000 above the budget request, for Overseas Humanitarian, Disaster, and Civic Aid. Specifically, $10,000,000 is provided as a ***program*** increase for the Humanitarian Mine Action ***Program***, of which $7,000,000 is for activities in Southeast Asia. Cooperative Threat Reduction Account The agreement provides $350,240,000 for the Cooperative Threat Reduction Account, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- Strategic Offensive Arms Elimination............................... 2,823 2,823 2,823 2,823 Chemical Weapons Destruction....................................... 5,446 5,446 5,446 5,446 Global Nuclear Security............................................ 29,001 44,001 29,001 44,001 ***Program*** increase--Global Nuclear Security...................... ......... 15,000 ......... 15,000 Cooperative Biological Engagement.................................. 197,585 197,585 197,585 197,585 Proliferation Prevention........................................... 74,937 74,937 74,937 74,937 Other Assessments/Admin Costs...................................... 25,448 25,448 25,448 25,448 -------------------------------------------- TOTAL, COOPERATIVE THREAT REDUCTION ACCOUNT................ 335,240 350,240 335,240 350,240 ---------------------------------------------------------------------------------------------------------------- Department of Defense Acquisition Workforce Development Fund The agreement provides $450,000,000 for the Department of Defense Acquisition Workforce Development Fund, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- TRAINING AND DEVELOPMENT........................................... 230,600 230,600 326,700 262,212 ***Program*** increase--unfunded requirement......................... ......... ......... 96,100 31,612 RETENTION AND RECOGNITION.......................................... 16,200 16,200 25,700 19,325 ***Program*** increase--unfunded requirement......................... ......... ......... 9,500 3,125 RECRUITING AND HIRING.............................................. 153,200 153,200 199,600 168,463 ***Program*** increase--unfunded requirement......................... ......... ......... 46,400 15,263 UNDISTRIBUTED REDUCTION............................................ ......... -2,100 ......... .......... -------------------------------------------- TOTAL, DEPARTMENT OF DEFENSE ACQUISITION WORKFORCE 400,000 397,900 552,000 450,000 DEVELOPMENT FUND.......................................... ---------------------------------------------------------------------------------------------------------------- DEFENSE ACQUISITION WORKFORCE DEVELOPMENT FUND REPORTING REQUIREMENTS The conferees reaffirm the reporting requirements pertaining to the Department of Defense Acquisition Workforce Development Fund, as specified in Senate Report 115-290 and further direct the Under Secretary of Defense (Acquisition and Sustainment) to submit, with the fiscal ***year*** 2020 budget request, any unfunded requirements for the Department of Defense acquisition workforce, if applicable. TITLE III--PROCUREMENT The agreement provides $135,362,619,000 in Title III, Procurement, as follows: [[Page H8387]] [GRAPHIC] [TIFF OMITTED] TH091318.064 [[Page H8388]] REPROGRAMMING GUIDANCE FOR ACQUISITION ACCOUNTS The Secretary of Defense is directed to continue to follow the reprogramming guidance as specified in the report accompanying the House version of the Department of Defense Appropriations bill for Fiscal ***Year*** 2008 (House Report 110- 279). Specifically, the dollar threshold for reprogramming funds shall remain at $20,000,000 for procurement and $10,000,000 for research, development, test and evaluation. Also, the Under Secretary of Defense (Comptroller) is directed to continue to provide the congressional defense committees quarterly, spreadsheet-based DD Form 1416 reports for Service and defense-wide accounts in titles III and IV of this Act. Reports for titles III and IV shall comply with the guidance specified in the explanatory statement accompanying the Department of Defense Appropriations Act, 2006. The Department shall continue to follow the limitation that prior approval reprogrammings are set at either the specified dollar threshold or 20 percent of the procurement or research, development, test and evaluation line, whichever is less. These thresholds are cumulative from the base for reprogramming value as modified by any adjustments. Therefore, if the combined value of ***transfers*** into or out of a procurement (P-1) or research, development, test and evaluation (R-1) line exceeds the identified threshold, the Secretary of Defense must submit a prior approval reprogramming to the congressional defense committees. In addition, guidelines on the application of prior approval reprogramming procedures for congressional special interest items are established elsewhere in this statement. FUNDING INCREASES The funding increases outlined in these tables shall be provided only for the specific purposes indicated in the tables. PROCUREMENT SPECIAL INTEREST ITEMS Items for which additional funds have been provided as shown in the project level tables or in paragraphs using the phrase ``only for'' or ``only to'' in the explanatory statement are congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount as specifically addressed in the explanatory statement. Aircraft Procurement, Army The agreement provides $4,299,566,000 for Aircraft Procurement, Army, as follows: [[Page H8389]] [GRAPHIC] [TIFF OMITTED] TH091318.065 [[Page H8390]] [GRAPHIC] [TIFF OMITTED] TH091318.066 [[Page H8391]] [GRAPHIC] [TIFF OMITTED] TH091318.067 [[Page H8392]] [GRAPHIC] [TIFF OMITTED] TH091318.068 [[Page H8393]] Missile Procurement, Army The agreement provides $3,145,256,000 for Missile Procurement, Army, as follows: [[Page H8394]] [GRAPHIC] [TIFF OMITTED] TH091318.069 [[Page H8395]] [GRAPHIC] [TIFF OMITTED] TH091318.070 [[Page H8396]] [GRAPHIC] [TIFF OMITTED] TH091318.071 [[Page H8397]] Procurement of Weapons and Tracked Combat Vehicles, Army The agreement provides $4,486,402,000 for Procurement of Weapons and Tracked Combat Vehicles, Army, as follows: [[Page H8398]] [GRAPHIC] [TIFF OMITTED] TH091318.072 [[Page H8399]] [GRAPHIC] [TIFF OMITTED] TH091318.073 [[Page H8400]] [GRAPHIC] [TIFF OMITTED] TH091318.074 [[Page H8401]] [GRAPHIC] [TIFF OMITTED] TH091318.075 [[Page H8402]] STRYKER DOUBLE-V HULL Following the submission of the fiscal ***year*** 2019 budget request, the Chief of Staff of the Army approved an Army Requirements Oversight Counsel (AROC) decision to upgrade and pure fleet all Flat-Bottom Hull (FBH) Stryker combat vehicles to the Double V-Hull A1 variant (DVHA1) in an effort to improve troop survivability and mobility. The Army's fiscal ***year*** 2019 budget request includes $21,900,000 to upgrade three FBH Stryker vehicles to DVHA1 variants. Subsequent to the AROC decision, the Army requested a funding ***transfer*** of $149,390,000 to fund additional conversions. With the ***transfer***, the Army can resource 53 DVHA1 conversions totaling $171,290,000. The conferees have also included a congressional adjustment of $94,000,000 for 29 additional conversions. The conferees note that there is a fiscal ***year*** 2018 reprogramming request to repurpose $285,000,000 of congressionally directed funding for 91 DVHA1 conversions. If the reprogramming action is approved by the congressional defense committees, the Army will have sufficient resources to fund conversions for half the vehicles in a Stryker Brigade Combat Team (SBCT), which is the Army's optimal rate of modernization. The conferees support the net-zero fiscal ***year*** 2019 ***transfer*** request, reprogramming action, and additional funding for DVHA1 conversions. However, the conferees are concerned that the Army decision on Stryker modifications are not being synchronized with the budget cycle, are currently under-resourced, and have been subject to sudden change. The conferees direct the Secretary of the Army to submit a report outlining the revised acquisition strategy for Stryker vehicles, to include a resourcing strategy for funding Stryker DVHA1 conversion at a rate of one-half of a SBCT per ***year***, an explanation of Stryker lethality requirements, an acquisition and resourcing strategy for fielding required lethality modifications, and an explanation and cost estimate for any validated requirements for Stryker modifications. This report shall be submitted to the congressional defense committees not later than 90 days after the enactment of this Act. This language replaces the language under the heading ``Stryker'' in House Report 115-769 and under the heading ``Army Stryker Double-V Hull A1'' in Senate Report 115-290. Procurement of Ammunition, Army The agreement provides $2,276,330,000 for Procurement of Ammunition, Army, as follows: [[Page H8403]] [GRAPHIC] [TIFF OMITTED] TH091318.076 [[Page H8404]] [GRAPHIC] [TIFF OMITTED] TH091318.077 [[Page H8405]] [GRAPHIC] [TIFF OMITTED] TH091318.078 [[Page H8406]] [GRAPHIC] [TIFF OMITTED] TH091318.079 [[Page H8407]] Other Procurement, Army The agreement provides $7,844,691,000 for Other Procurement, Army, as follows: [[Page H8408]] [GRAPHIC] [TIFF OMITTED] TH091318.080 [[Page H8409]] [GRAPHIC] [TIFF OMITTED] TH091318.081 [[Page H8410]] [GRAPHIC] [TIFF OMITTED] TH091318.082 [[Page H8411]] [GRAPHIC] [TIFF OMITTED] TH091318.083 [[Page H8412]] [GRAPHIC] [TIFF OMITTED] TH091318.084 [[Page H8413]] [GRAPHIC] [TIFF OMITTED] TH091318.085 [[Page H8414]] [GRAPHIC] [TIFF OMITTED] TH091318.086 [[Page H8415]] [GRAPHIC] [TIFF OMITTED] TH091318.087 [[Page H8416]] [GRAPHIC] [TIFF OMITTED] TH091318.088 [[Page H8417]] [GRAPHIC] [TIFF OMITTED] TH091318.089 [[Page H8418]] [GRAPHIC] [TIFF OMITTED] TH091318.090 [[Page H8419]] [GRAPHIC] [TIFF OMITTED] TH091318.091 [[Page H8420]] [GRAPHIC] [TIFF OMITTED] TH091318.092 [[Page H8421]] Aircraft Procurement, Navy The agreement provides $20,092,199,000 for Aircraft Procurement, Navy, as follows: [[Page H8422]] [GRAPHIC] [TIFF OMITTED] TH091318.093 [[Page H8423]] [GRAPHIC] [TIFF OMITTED] TH091318.094 [[Page H8424]] [GRAPHIC] [TIFF OMITTED] TH091318.095 [[Page H8425]] [GRAPHIC] [TIFF OMITTED] TH091318.096 [[Page H8426]] [GRAPHIC] [TIFF OMITTED] TH091318.097 [[Page H8427]] [GRAPHIC] [TIFF OMITTED] TH091318.098 [[Page H8428]] Weapons Procurement, Navy The agreement provides $3,711,576,000 for Weapons Procurement, Navy, as follows: [[Page H8429]] [GRAPHIC] [TIFF OMITTED] TH091318.099 [[Page H8430]] [GRAPHIC] [TIFF OMITTED] TH091318.100 [[Page H8431]] [GRAPHIC] [TIFF OMITTED] TH091318.101 [[Page H8432]] [GRAPHIC] [TIFF OMITTED] TH091318.102 [[Page H8433]] TOMAHAWK PRODUCTION AND NEXT GENERATION LAND ATTACK WEAPON The conferees are concerned by the Navy's management of the Tomahawk missile ***program***. In the previous two fiscal ***years***, the Congress has added funding above the budget requests for the Tomahawk ***program*** due to the fact that the Navy has requested fewer missiles than necessary to maintain a minimum sustainment rate of production while missiles have continued to be expended in the Central Command area of operations. The Department of Defense Appropriations Act, 2018, provided $102,000,000 above the request to procure additional munitions pursuant to the Navy's fiscal ***year*** 2018 enhancement request following enactment of the Bipartisan Budget Act of 2018. However, despite the request by the Navy and the direction by the Congress to procure additional munitions, the Navy has proposed to repurpose the congressionally provided funding for various activities, negating congressional intent. Therefore, the agreement includes a rescission of $115,657,000 of fiscal ***year*** 2018 funds from the Tomahawk ***program***. The fiscal ***year*** 2019 budget request for Tomahawk does not include funding for new production of all up rounds, reflecting the Navy's strategy to transition from new production to recertification and modernization activities. The conferees direct the Secretary of the Navy to conduct a full review of the Tomahawk ***program*** including the current inventory requirement and stockpiled levels of munitions; an analysis of the viability of new production in fiscal ***year*** 2020; an analysis of the capacity for concurrent new production and recertification activities within existing facilities; revised cost and schedule projections for modification and recertification activities, to include alternatives with and without concurrent new production; a detailed review of the execution of the fiscal ***year*** 2017 and 2018 new production congressional adds; an analysis of surface and sub-surface launched land attack weapons inventory and requirements projections through the Next Generation Land Attack Weapon initial operational capability date, to include other weapons systems that may provide an interim capability. The Secretary of the Navy shall provide a report detailing the results of the review to the congressional defense committees not later than 90 days after the enactment of this Act. Additionally, the reporting requirements related to the Long Range Anti-Ship Missile included under the heading ``Next Generation Land Attack Weapon (NGLAW) and Interim Capabilities'' in Senate Report 115-290 are still valid. This language replaces the language under the heading ``Tomahawk Production'' in House Report 115-769 and under the heading ``Next Generation Land Attack Weapon (NGLAW) and Interim Capabilities'' in Senate Report 115-290. Procurement of Ammunition, Navy and Marine Corps The agreement provides $952,682,000 for Procurement of Ammunition, Navy and Marine Corps, as follows: [[Page H8434]] [GRAPHIC] [TIFF OMITTED] TH091318.103 [[Page H8435]] [GRAPHIC] [TIFF OMITTED] TH091318.104 [[Page H8436]] [GRAPHIC] [TIFF OMITTED] TH091318.105 [[Page H8437]] Shipbuilding and Conversion, Navy The agreement provides $24,150,087,000 for Shipbuilding and Conversion, Navy, as follows: [[Page H8438]] [GRAPHIC] [TIFF OMITTED] TH091318.106 [[Page H8439]] [GRAPHIC] [TIFF OMITTED] TH091318.107 [[Page H8440]] [GRAPHIC] [TIFF OMITTED] TH091318.108 [[Page H8441]] [GRAPHIC] [TIFF OMITTED] TH091318.109 [[Page H8442]] ford class aircraft carrier procurement The conferees include a proviso consistent with section 121 of the John S. McCain National Defense Authorization Act for Fiscal ***Year*** 2019, which allows the Secretary of the Navy to potentially use fiscal ***year*** 2019 funds to enter into a contract for an aircraft carrier designated CVN-81 if certain requirements are met by the Secretary of Defense. However, the conferees note that the congressional defense committees have not received information justifying the validity of a proposed ``two carrier block buy,'' including an Independent Cost Estimate, an analysis of the impact on other Navy shipbuilding ***programs***, an updated future ***years*** defense ***program***, or an extended planning range budget. This language replaces the language under the heading ``CVN 80'' in Senate Report 115-290. Other Procurement, Navy The agreement provides $9,097,138,000 for Other Procurement, Navy, as follows: [[Page H8443]] [GRAPHIC] [TIFF OMITTED] TH091318.110 [[Page H8444]] [GRAPHIC] [TIFF OMITTED] TH091318.111 [[Page H8445]] [GRAPHIC] [TIFF OMITTED] TH091318.112 [[Page H8446]] [GRAPHIC] [TIFF OMITTED] TH091318.113 [[Page H8447]] [GRAPHIC] [TIFF OMITTED] TH091318.114 [[Page H8448]] [GRAPHIC] [TIFF OMITTED] TH091318.115 [[Page H8449]] [GRAPHIC] [TIFF OMITTED] TH091318.116 [[Page H8450]] [GRAPHIC] [TIFF OMITTED] TH091318.117 [[Page H8451]] [GRAPHIC] [TIFF OMITTED] TH091318.118 [[Page H8452]] [GRAPHIC] [TIFF OMITTED] TH091318.119 [[Page H8453]] [GRAPHIC] [TIFF OMITTED] TH091318.120 [[Page H8454]] [GRAPHIC] [TIFF OMITTED] TH091318.121 [[Page H8455]] Procurement, Marine Corps The agreement provides $2,719,870,000 for Procurement, Marine Corps, as follows: [[Page H8456]] [GRAPHIC] [TIFF OMITTED] TH091318.122 [[Page H8457]] [GRAPHIC] [TIFF OMITTED] TH091318.123 [[Page H8458]] [GRAPHIC] [TIFF OMITTED] TH091318.124 [[Page H8459]] [GRAPHIC] [TIFF OMITTED] TH091318.125 [[Page H8460]] [GRAPHIC] [TIFF OMITTED] TH091318.126 [[Page H8461]] Aircraft Procurement, Air Force The agreement provides $17,112,337,000 for Aircraft Procurement, Air Force, as follows: [[Page H8462]] [GRAPHIC] [TIFF OMITTED] TH091318.127 [[Page H8463]] [GRAPHIC] [TIFF OMITTED] TH091318.128 [[Page H8464]] [GRAPHIC] [TIFF OMITTED] TH091318.129 [[Page H8465]] [GRAPHIC] [TIFF OMITTED] TH091318.130 [[Page H8466]] [GRAPHIC] [TIFF OMITTED] TH091318.131 [[Page H8467]] [GRAPHIC] [TIFF OMITTED] TH091318.132 [[Page H8468]] [GRAPHIC] [TIFF OMITTED] TH091318.133 [[Page H8469]] [GRAPHIC] [TIFF OMITTED] TH091318.134 [[Page H8470]] C-135B The conference agreement provides $146,374,000 for C-135B, including $125,000,000 for the procurement of the first of two aircraft and $21,374,000 for the integration of mission equipment, which is provided under Research, Development, Test and Evaluation, Air Force. The conferees understand that the Air Force intends to procure the C-135B through a full and open competition. The conferees direct the Secretary of the Air Force to submit, not fewer than 30 days prior to the obligation of these funds, a report to the congressional defense committees that details the finalized acquisition strategy, an updated schedule and cost estimate pursuant to that strategy, the approved requirements, an estimated timeline for the certification of the new aircraft under the Open Skies Treaty, and a plan for the transition of the mission to the new aircraft and the disposition of the current OC-135 aircraft and its mission equipment. This language replaces the language under the heading ``C-135B'' in House Report 115-769 and under the heading ``C-135B Aircraft'' in Senate Report 115-290. battlefield airborne communication node The conference agreement provides $100,000,000 for the Battlefield Airborne Communication Node (BACN) mission under RQ-4 modifications. The conferees direct the Secretary of the Air Force to provide a report to the congressional defense committees not later than 90 days after the enactment of this Act on the updated BACN requirement and an execution plan for the additional funds provided in this Act. This language replaces the language under the same heading in House Report 115-769. Missile Procurement, Air Force The agreement provides $2,585,004,000 for Missile Procurement, Air Force, as follows: [[Page H8471]] [GRAPHIC] [TIFF OMITTED] TH091318.135 [[Page H8472]] [GRAPHIC] [TIFF OMITTED] TH091318.136 [[Page H8473]] Space Procurement, Air Force The agreement provides $2,343,642,000 for Space Procurement, Air Force, as follows: [[Page H8474]] [GRAPHIC] [TIFF OMITTED] TH091318.137 [[Page H8475]] [GRAPHIC] [TIFF OMITTED] TH091318.138 [[Page H8476]] wideband gapfiller satellites The Department of Defense Appropriations Act, 2018 included $600,000,000 above the budget request for two additional Wideband Gapfiller Satellites (WGS). The conferees direct the Secretary of the Air Force to procure two WGS satellites and provide a funding plan for launch and operation and maintenance activities to the congressional defense committees not later than 90 days after the enactment of this Act. Procurement of Ammunition, Air Force The agreement provides $1,485,856,000 for Procurement of Ammunition, Air Force, as follows: [[Page H8477]] [GRAPHIC] [TIFF OMITTED] TH091318.139 [[Page H8478]] [GRAPHIC] [TIFF OMITTED] TH091318.140 [[Page H8479]] Other Procurement, Air Force The agreement provides $20,884,225,000 for Other Procurement, Air Force, as follows: [[Page H8480]] [GRAPHIC] [TIFF OMITTED] TH091318.141 [[Page H8481]] [GRAPHIC] [TIFF OMITTED] TH091318.142 [[Page H8482]] [GRAPHIC] [TIFF OMITTED] TH091318.143 [[Page H8483]] [GRAPHIC] [TIFF OMITTED] TH091318.144 [[Page H8484]] [GRAPHIC] [TIFF OMITTED] TH091318.145 [[Page H8485]] [GRAPHIC] [TIFF OMITTED] TH091318.146 [[Page H8486]] Procurement, Defense-Wide The agreement provides $6,822,180,000 for Procurement, Defense-Wide, as follows: [[Page H8487]] [GRAPHIC] [TIFF OMITTED] TH091318.147 [[Page H8488]] [GRAPHIC] [TIFF OMITTED] TH091318.148 [[Page H8489]] [GRAPHIC] [TIFF OMITTED] TH091318.149 [[Page H8490]] [GRAPHIC] [TIFF OMITTED] TH091318.150 [[Page H8491]] [GRAPHIC] [TIFF OMITTED] TH091318.151 [[Page H8492]] National Guard and Reserve Equipment The conference agreement provides $1,300,000,000 for National Guard and Reserve Equipment. Of that amount $421,000,000 is designated for the Army National Guard; $421,000,000 for the Air National Guard; $180,000,000 for the Army Reserve; $65,000,000 for the Navy Reserve; $13,000,000 for the Marine Corps Reserve; and $200,000,000 for the Air Force Reserve. This funding will allow the reserve components to procure high priority equipment that may be used for combat and domestic response missions. Current reserve component equipping levels are among the highest in recent history, and the funding provided by the agreement will help ensure component interoperability and sustained reserve component modernization. The conferees direct the Secretary of Defense to ensure that the account be executed by the Chiefs of the National Guard and reserve components with priority consideration given to the following items: acoustic hailing devices; active electronically scanned array radars; arctic sustainment packages; cold weather and mountaineering gear and equipment; commercial off-the-shelf training systems and simulation devices; crashworthy, ballistically tolerant auxiliary fuel systems for ground and air; digital radar warning receivers for F-16s; fifth generation certified wireless mobile mesh self-healing tamper-proof network systems; HMMWV rollover mitigation; joint threat emitters; modular small arms ranges and simulation; MQ-9 deployable launch and recovery element mission support kits; personal dosimeters; radiac sets; secure voice, text, and data communications for joint response and operations; sense and avoid systems; small unit support vehicles; and unstabilized gunnery trainers and upgrades. Defense Production Act Purchases The agreement provides $53,578,000 for Defense Production Act Purchases, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- DEFENSE PRODUCTION ACT PURCHASES............................ 38,578 68,578 38,578 53,578 ***Program*** increase........................................ 30,000 15,000 --------------------------------------------------- TOTAL, DEFENSE PRODUCTION ACT PURCHASES............. 38,578 68,578 38,578 53,578 ---------------------------------------------------------------------------------------------------------------- DEFENSE PRODUCTION ACT The conferees are concerned with the management of the Defense Production Act (DPA) and direct the Secretary of Defense to provide a report to the congressional defense committees not later than 30 days after the enactment of this Act on the management of the DPA, to include an update on the plan to accelerate the execution of funds, the status of each project being executed or planned to be executed by the DPA Executive Agent or another executing agent, and explanations on the differences between the projects in the budget request and subsequent funding profiles provided during the ***year*** of execution. Joint Urgent Operational Needs Fund The agreement does not recommend funding for the Joint Urgent Operational Needs Fund. TITLE IV--RESEARCH, DEVELOPMENT, TEST AND EVALUATION The agreement provides $94,896,708,000 in Title IV, Research, Development, Test and Evaluation, as follows: [[Page H8493]] [GRAPHIC] [TIFF OMITTED] TH091318.152 [[Page H8494]] REPROGRAMMING GUIDANCE FOR ACQUISITION ACCOUNTS The Secretary of Defense is directed to continue to follow the reprogramming guidance as specified in the report accompanying the House version of the Department of Defense Appropriations bill for Fiscal ***Year*** 2008 (House Report 110- 279). Specifically, the dollar threshold for reprogramming funds shall remain at $20,000,000 for procurement and $10,000,000 for research, development, test and evaluation. Also, the Under Secretary of Defense (Comptroller) is directed to continue to provide the congressional defense committees quarterly, spreadsheet-based DD Form 1416 reports for Service and defense-wide accounts in titles III and IV of this Act. Reports for titles III and IV shall comply with the guidance specified in the explanatory statement accompanying the Department of Defense Appropriations Act, 2006. The Department shall continue to follow the limitation that prior approval reprogrammings are set at either the specified dollar threshold or 20 percent of the procurement or research, development, test and evaluation line, whichever is less. These thresholds are cumulative from the base for reprogramming value as modified by any adjustments. Therefore, if the combined value of ***transfers*** into or out of a procurement (P-1) or research, development, test and evaluation (R-1) line exceeds the identified threshold, the Secretary of Defense must submit a prior approval reprogramming to the congressional defense committees. In addition, guidelines on the application of prior approval reprogramming procedures for congressional special interest items are established elsewhere in this statement. FUNDING INCREASES The funding increases outlined in these tables shall be provided only for the specific purposes indicated in the tables. RESEARCH, DEVELOPMENT, TEST AND EVALUATION SPECIAL INTEREST ITEMS Items for which additional funds have been provided as shown in the project level tables or in paragraphs using the phrase ``only for'' or ``only to'' in the explanatory statement are congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount as specifically addressed in the explanatory statement. BLAST EXPOSURE RESEARCH The conferees understand that further research is necessary regarding blast exposure on the cellular level of the brain in order to develop blast protection requirements for helmets and other personal protective equipment. The conferees encourage the Secretary of Defense to increase efforts to develop a predictive traumatic brain injury model for blast. Such research may help reveal the cellular response to blast impulses and the interaction of the human brain and protective equipment related to blast exposure. DEPARTMENT OF DEFENSE TEST AND EVALUATION INFRASTRUCTURE The 2018 National Defense Strategy addresses the increasingly complex global threat environment driven in part by rapid technological advancements. The fiscal ***year*** 2019 budget request proposes investments in several ***programs*** that support a more capable and lethal force to prepare for this threat environment, including directed energy, hypersonics, advanced computing, big data analytics, artificial intelligence, autonomy, and robotics ***programs***. The conferees believe that concurrent with investments in leap-ahead technological advancements, an investment in the Department of Defense test and evaluation infrastructure is required to increase testing range space and availability and to ensure continued independent and objective assessments of weapon system capabilities. Therefore, after consultation with the Under Secretary of Defense (Research and Engineering) and the Director, Operational Test and Evaluation, the conferees recommend increases for the Air Force, and Office of the Director, Operational Test and Evaluation to modernize the Department of Defense test and evaluation infrastructure in areas such as hypersonics, directed energy, augmented intelligence, machine learning, robotics, and cyberspace. The conferees direct the Under Secretary of Defense (Research and Engineering), in conjunction with the Director, Operational Test and Evaluation, and the Secretaries of the Army, Navy, and Air Force, to conduct an in-depth assessment of the Department of Defense test and evaluation infrastructure and to identify improvements required to address future warfighting capabilities. The assessment shall be provided to the congressional defense committees not later than with the submission of the fiscal ***year*** 2020 budget request and shall include proposed coordinated investments by warfighting area in priority order and with associated cost estimates. F-35 JOINT STRIKE FIGHTER DEVELOPMENTAL TEST FLEET The conferees agree to modify a provision proposed by the House allowing the Secretary of Defense to use funds appropriated in this Act for F-35 procurement and research, development, test and evaluation to modify up to six aircraft, including two aircraft of each variant, to a test configuration. The conferees understand that the cost of modifying each aircraft is approximately $5,000,000. The conferees direct the Secretary of Defense, with the concurrence of the Secretary of the Air Force and the Secretary of the Navy, to notify the congressional defense committees not fewer than 30 days prior to obligating and expending funds for this purpose. The notification shall contain the costs of modifying the aircraft, the sources of funding by account and the reasons for their availability, and a statement that the use of such funds will not adversely affect the F-35 operational fleet. The conferees expect that any such use of funds will not unduly hinder or harm other critical aspects of the Joint Strike Fighter ***program***. Finally, the conferees direct that normal reprogramming procedures be followed as necessary to execute funding for this purpose. ENERGETICS RESEARCH The conferees direct the Under Secretary of Defense (Research and Engineering) to submit a report to the congressional defense committees not later than 120 days after the enactment of this Act on current investments of the Department of Defense in energetics research. The report shall include a comparison of investments in energetics among the Services as well as a strategic roadmap for future energetics research. HYPERSONICS RESEARCH PARTNERSHIPS The conferees support hypersonics partnerships between the Defense Advanced Research Projects Agency and the military Services and recommend fully funding these partnerships. The conferees understand that the development of hypersonic weapons will require a long-term vision, beyond the Services' current mission needs and capabilities. Therefore, the conferees encourage the Under Secretary of Defense (Research and Engineering) to consider establishing a partnership with one or more universities focused on hypersonics research and education with the mission of developing next-generation hypersonics capabilities and building a highly-skilled, technically-trained workforce. Research, Development, Test and Evaluation, Army The agreement provides $11,083,824,000 for Research, Development, Test and Evaluation, Army, as follows: [[Page H8495]] [GRAPHIC] [TIFF OMITTED] TH091318.153 [[Page H8496]] [GRAPHIC] [TIFF OMITTED] TH091318.154 [[Page H8497]] [GRAPHIC] [TIFF OMITTED] TH091318.155 [[Page H8498]] [GRAPHIC] [TIFF OMITTED] TH091318.156 [[Page H8499]] [GRAPHIC] [TIFF OMITTED] TH091318.157 [[Page H8500]] [GRAPHIC] [TIFF OMITTED] TH091318.158 [[Page H8501]] [GRAPHIC] [TIFF OMITTED] TH091318.159 [[Page H8502]] [GRAPHIC] [TIFF OMITTED] TH091318.160 [[Page H8503]] [GRAPHIC] [TIFF OMITTED] TH091318.161 [[Page H8504]] [GRAPHIC] [TIFF OMITTED] TH091318.162 [[Page H8505]] [GRAPHIC] [TIFF OMITTED] TH091318.163 [[Page H8506]] [GRAPHIC] [TIFF OMITTED] TH091318.164 [[Page H8507]] [GRAPHIC] [TIFF OMITTED] TH091318.165 [[Page H8508]] [GRAPHIC] [TIFF OMITTED] TH091318.166 [[Page H8509]] [GRAPHIC] [TIFF OMITTED] TH091318.167 [[Page H8510]] [GRAPHIC] [TIFF OMITTED] TH091318.168 [[Page H8511]] [GRAPHIC] [TIFF OMITTED] TH091318.169 [[Page H8512]] [GRAPHIC] [TIFF OMITTED] TH091318.170 [[Page H8513]] [GRAPHIC] [TIFF OMITTED] TH091318.171 [[Page H8514]] [GRAPHIC] [TIFF OMITTED] TH091318.172 [[Page H8515]] [GRAPHIC] [TIFF OMITTED] TH091318.173 [[Page H8516]] RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY The agreement provides $18,510,564,000 for Research, Development, Test and Evaluation, Navy, as follows: [[Page H8517]] [GRAPHIC] [TIFF OMITTED] TH091318.174 [[Page H8518]] [GRAPHIC] [TIFF OMITTED] TH091318.175 [[Page H8519]] [GRAPHIC] [TIFF OMITTED] TH091318.176 [[Page H8520]] [GRAPHIC] [TIFF OMITTED] TH091318.177 [[Page H8521]] [GRAPHIC] [TIFF OMITTED] TH091318.178 [[Page H8522]] [GRAPHIC] [TIFF OMITTED] TH091318.179 [[Page H8523]] [GRAPHIC] [TIFF OMITTED] TH091318.180 [[Page H8524]] [GRAPHIC] [TIFF OMITTED] TH091318.181 [[Page H8525]] [GRAPHIC] [TIFF OMITTED] TH091318.182 [[Page H8526]] [GRAPHIC] [TIFF OMITTED] TH091318.183 [[Page H8527]] [GRAPHIC] [TIFF OMITTED] TH091318.184 [[Page H8528]] [GRAPHIC] [TIFF OMITTED] TH091318.185 [[Page H8529]] [GRAPHIC] [TIFF OMITTED] TH091318.186 [[Page H8530]] [GRAPHIC] [TIFF OMITTED] TH091318.187 [[Page H8531]] [GRAPHIC] [TIFF OMITTED] TH091318.188 [[Page H8532]] [GRAPHIC] [TIFF OMITTED] TH091318.189 [[Page H8533]] [GRAPHIC] [TIFF OMITTED] TH091318.190 [[Page H8534]] [GRAPHIC] [TIFF OMITTED] TH091318.191 [[Page H8535]] [GRAPHIC] [TIFF OMITTED] TH091318.192 [[Page H8536]] [GRAPHIC] [TIFF OMITTED] TH091318.193 [[Page H8537]] [GRAPHIC] [TIFF OMITTED] TH091318.194 [[Page H8538]] [GRAPHIC] [TIFF OMITTED] TH091318.195 [[Page H8539]] ACCELERATED ACQUISITIONS The fiscal ***year*** 2019 budget request includes $1,402,333,000, an increase of 150 percent over amounts enacted in fiscal ***year*** 2018, for ***programs*** designated as accelerated acquisitions in accordance with Chief of Naval Operations and Secretary of the Navy Instructions 5000.53 and 5000.42, respectively. The conferees support efforts to rapidly deliver capability to the warfighter in a responsible manner and recommend $1,072,585,000 for these ***programs*** in fiscal ***year*** 2019. The conferees are concerned by repeated instances in which the designation as an accelerated acquisition ***program*** has led to imprudent ***program*** management decisions affecting contracting actions and funding execution. Therefore, the conferees direct the Assistant Secretary of the Navy (Research, Development and Acquisition) and the Assistant Secretary of the Navy (Financial Management and Comptroller) to submit a report to the congressional defense committees, not later than 30 days after the enactment of this Act, on acquisition strategy management and fiscal controls in place to ensure the appropriate management of resources for Navy accelerated acquisition ***programs***. The conferees direct the Assistant Secretary of the Navy (Research, Development and Acquisition) to provide the congressional defense committees, with the submission of the fiscal ***year*** 2020 budget request, the acquisition strategy for each designated accelerated acquisition ***program***. The conferees further direct the Assistant Secretary of the Navy (Financial Management and Comptroller) to certify that the fiscal ***year*** 2020 budget request fully funds such acquisition strategies, to include the associated test requirements identified in the detailed test approach developed for each ***program***, as agreed to by the Chief of Naval Operations, the Assistant Secretary of the Navy (Research, Development and Acquisition), and the Director, Operational Test and Evaluation per previous congressional direction. The conferees reiterate previous congressional direction with respect to the role of the Director, Operational Test and Evaluation under accelerated acquisition and rapid prototyping, to include early insight into service acquisition intentions. Finally, the conferees direct the Assistant Secretary of the Navy (Research, Development and Acquisition) to identify to the congressional defense committees with the fiscal ***year*** 2020 budget submission, any additional training requirements levied on the acquisition workforce associated with the execution of accelerated acquisition ***programs***. Research, Development, Test and Evaluation, Air Force The agreement provides $41,229,475,000 for Research, Development, Test and Evaluation, Air Force, as follows: [[Page H8540]] [GRAPHIC] [TIFF OMITTED] TH091318.196 [[Page H8541]] [GRAPHIC] [TIFF OMITTED] TH091318.197 [[Page H8542]] [GRAPHIC] [TIFF OMITTED] TH091318.198 [[Page H8543]] [GRAPHIC] [TIFF OMITTED] TH091318.199 [[Page H8544]] [GRAPHIC] [TIFF OMITTED] TH091318.200 [[Page H8545]] [GRAPHIC] [TIFF OMITTED] TH091318.201 [[Page H8546]] [GRAPHIC] [TIFF OMITTED] TH091318.202 [[Page H8547]] [GRAPHIC] [TIFF OMITTED] TH091318.203 [[Page H8548]] [GRAPHIC] [TIFF OMITTED] TH091318.204 [[Page H8549]] [GRAPHIC] [TIFF OMITTED] TH091318.205 [[Page H8550]] [GRAPHIC] [TIFF OMITTED] TH091318.206 [[Page H8551]] [GRAPHIC] [TIFF OMITTED] TH091318.207 [[Page H8552]] [GRAPHIC] [TIFF OMITTED] TH091318.208 [[Page H8553]] [GRAPHIC] [TIFF OMITTED] TH091318.209 [[Page H8554]] [GRAPHIC] [TIFF OMITTED] TH091318.210 [[Page H8555]] [GRAPHIC] [TIFF OMITTED] TH091318.211 [[Page H8556]] [GRAPHIC] [TIFF OMITTED] TH091318.212 [[Page H8557]] [GRAPHIC] [TIFF OMITTED] TH091318.213 [[Page H8558]] [GRAPHIC] [TIFF OMITTED] TH091318.214 [[Page H8559]] TEST AND EVALUATION SUPPORT The conference agreement provides funding as requested within the Major Test and Evaluation Investment ***program*** element for the planning and design of three military construction projects under the Defense Laboratory Modernization Pilot ***Program*** authorized by the National Defense Authorization Act for Fiscal ***Year*** 2016. These specific projects are authorized by the National Defense Authorization Act for Fiscal ***Year*** 2019, but the conferees understand that funding for construction will be requested in fiscal ***year*** 2020. This language replaces the language under the heading ``Test and Evaluation Support'' in House Report 115-769. SPACE SOLAR POWER ***PROGRAM*** The conferees understand that the Space Solar Power ***Program*** is a priority for the Air Force but have concerns that the submitted budget justification materials do not include sufficient requirements, scheduling, or cost detail to adequately judge the merits of rapid acquisition or the ability of the Space Rapid Capabilities Office to achieve it. Consequently, the conference agreement reduces funding for the ***program***'s air demonstration by $105,000,000 and designates the ***program*** as a new start and congressional special interest item. The conferees direct the Secretary of the Air Force to submit detailed funding plans for the Space Solar Power ***Program*** with the fiscal year2020 budget request submission. Research, Development, Test and Evaluation, Defense-Wide The agreement provides $23,691,836,000 for Research, Development, Test and Evaluation, Defense-Wide, as follows: [[Page H8560]] [GRAPHIC] [TIFF OMITTED] TH091318.215 [[Page H8561]] [GRAPHIC] [TIFF OMITTED] TH091318.216 [[Page H8562]] [GRAPHIC] [TIFF OMITTED] TH091318.217 [[Page H8563]] [GRAPHIC] [TIFF OMITTED] TH091318.218 [[Page H8564]] [GRAPHIC] [TIFF OMITTED] TH091318.219 [[Page H8565]] [GRAPHIC] [TIFF OMITTED] TH091318.220 [[Page H8566]] [GRAPHIC] [TIFF OMITTED] TH091318.221 [[Page H8567]] [GRAPHIC] [TIFF OMITTED] TH091318.222 [[Page H8568]] [GRAPHIC] [TIFF OMITTED] TH091318.223 [[Page H8569]] [GRAPHIC] [TIFF OMITTED] TH091318.224 [[Page H8570]] [GRAPHIC] [TIFF OMITTED] TH091318.225 [[Page H8571]] [GRAPHIC] [TIFF OMITTED] TH091318.226 [[Page H8572]] [GRAPHIC] [TIFF OMITTED] TH091318.227 [[Page H8573]] [GRAPHIC] [TIFF OMITTED] TH091318.228 [[Page H8574]] [GRAPHIC] [TIFF OMITTED] TH091318.229 [[Page H8575]] [GRAPHIC] [TIFF OMITTED] TH091318.230 [[Page H8576]] [GRAPHIC] [TIFF OMITTED] TH091318.231 [[Page H8577]] Operational Test and Evaluation, Defense The agreement provides $381,009,000 for Operational Test and Evaluation, Defense, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- OPERATIONAL TEST AND EVALUATION............................. 85,685 85,685 85,685 85,685 LIVE FIRE TESTING........................................... 64,332 64,332 64,332 64,332 OPERATIONAL TEST ACTIVITIES AND ANALYSIS.................... 70,992 70,992 230,992 230,992 ***Program*** increase for T&E infrastructure................. ........... ........... 150,000 150,000 Advanced satellite navigation receiver.................. ........... ........... 10,000 10,000 --------------------------------------------------- TOTAL, OPERATIONAL TEST & EVALUATION, DEFENSE....... 221,009 221,009 381,009 381,009 ---------------------------------------------------------------------------------------------------------------- TITLE V--REVOLVING AND MANAGEMENT FUNDS The agreement provides $1,641,115,000 in Title V, Revolving and Management Funds. Defense Working Capital Funds The agreement provides $1,641,115,000 for Defense Working Capital Funds, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- WORKING CAPITAL FUND, ARMY.................................. 158,765 158,765 257,765 257,765 ***Program*** increase--arsenal initiative.................... ........... ........... 99,000 99,000 WORKING CAPITAL FUND, AIR FORCE............................. 69,054 69,054 69,054 69,054 WORKING CAPITAL FUND, DEFENSE-WIDE.......................... 48,096 48,096 48,096 48,096 DEFENSE WORKING CAPITAL FUND, DECA.......................... 1,266,200 1,266,200 1,266,200 1,266,200 --------------------------------------------------- TOTAL, DEFENSE WORKING CAPITAL FUNDS................ 1,542,115 1,542,115 1,641,115 1,641,115 ---------------------------------------------------------------------------------------------------------------- TITLE VI--OTHER DEPARTMENT OF DEFENSE ***PROGRAMS*** The agreement provides $36,212,133,000 in Title VI, Other Department of Defense ***Programs***, as follows: [[Page H8578]] [GRAPHIC] [TIFF OMITTED] TH091318.232 [[Page H8579]] Defense Health ***Program*** The agreement provides $34,007,519,000 for the Defense Health ***Program***, as follows: [[Page H8580]] [GRAPHIC] [TIFF OMITTED] TH091318.233 [[Page H8581]] [GRAPHIC] [TIFF OMITTED] TH091318.234 [[Page H8582]] [GRAPHIC] [TIFF OMITTED] TH091318.235 [[Page H8583]] REPROGRAMMING GUIDANCE FOR THE DEFENSE HEALTH ***PROGRAM*** The conferees remain concerned about the ***transfer*** of funds from the In-House Care budget sub-activity group to pay for contractor-provided medical care and the reprogramming of funds from the Private Sector Care budget sub-activity group to Department priorities outside of the Defense Health ***Program***. To limit such transactions and improve oversight within the Defense Health ***Program*** operation and maintenance account, the conferees direct that the In-House Care and Private Sector Care budget sub-activities remain designated as congressional special interest items. Any ***transfer*** of funds into or out of these sub-activities requires the Secretary of Defense to follow prior approval reprogramming procedures. This should not be interpreted as limiting the amount of funds that may be ***transferred*** to the In-House Care budget sub-activity from other budget sub-activities within the Defense Health ***Program***. Additionally, the conferees direct the Assistant Secretary of Defense (Health Affairs) to provide quarterly reports to the congressional defense committees on budget execution data for all of the Defense Health ***Program*** budget activities and to adequately reflect changes to the budget activities requested by the Services in future budget submissions. CARRYOVER The conferees recommend one percent carryover authority for the operation and maintenance account of the Defense Health ***Program***. The conferees direct the Assistant Secretary of Defense (Health Affairs) to submit a detailed spending plan for any fiscal ***year*** 2018 designated carryover funds to the congressional defense committees not less than 30 days prior to executing the carryover funds. PEER-REVIEWED CANCER RESEARCH ***PROGRAM*** The conference agreement provides $90,000,000 for the peer- reviewed cancer research ***program*** to research cancers not addressed in the breast, prostate, ovarian, kidney, lung, and melanoma cancer research ***programs***. The funds provided in the peer-reviewed cancer research ***program*** are directed to be used to conduct research in the following areas: bladder cancer, blood cancers, brain cancer, colorectal cancer, immunotherapy, listeria vaccine for cancer, liver cancer, lymphoma, mesothelioma, neuroblastoma, pancreatic cancer, pediatric brain tumors, stomach cancer, rare cancers, and cancer in children, adolescents, and young adults. The reports directed under this heading in House Report 115-769 and Senate Report 115-290 are still required. PEER-REVIEWED MEDICAL RESEARCH ***PROGRAM*** The conference agreement provides $350,000,000 for a peer- reviewed medical research ***program***. The conferees direct the Secretary of Defense, in conjunction with the Service Surgeons General, to select medical research projects of clear scientific merit and direct relevance to military health. Research areas considered under this funding are restricted to the following areas: acute lung injury, antimicrobial resistance, arthritis, burn pit exposure, cardiomyopathy, cerebellar ataxia, chronic migraine and post- traumatic headache, congenital heart disease, constrictive bronchiolitis, diabetes, dystonia, eating disorders, emerging infectious diseases, epidermolysis bullosa, focal segmental glomerulosclerosis, frontotemporal degeneration, Guillain- Barre syndrome, hemorrhage control, hepatitis B, hereditary angioedema, hydrocephalus, immunomonitoring of intestinal transplants, inflammatory bowel diseases, interstitial cystitis, lung injury, metals toxicology, mitochondrial disease, musculoskeletal disorders, myotonic dystrophy, nanomaterials for bone regeneration, nutrition optimization, pancreatitis, pathogen-inactivated blood products, polycystic kidney disease, post-traumatic osteoarthritis, pressure ulcers, pulmonary fibrosis, resilience training, respiratory health, Rett syndrome, rheumatoid arthritis, scleroderma, sleep disorders, spinal muscular atrophy, tinnitus, tissue regeneration, tuberculosis, vascular malformations, and women's heart disease. The additional funding provided under the peer-reviewed medical research ***program*** shall be devoted only to the purposes listed above. ELECTRONIC HEALTH RECORDS The conferees direct the ***Program*** Executive Officer (PEO) for Defense Healthcare Management Systems (DHMS), in conjunction with the Director of the Interagency ***Program*** Office (IPO), to provide quarterly reports to the congressional defense committees on the cost and schedule of the electronic health record ***program***, to include milestones, knowledge points, and acquisition timelines, as well as quarterly obligation reports. These reports should also include any changes to the deployment timeline, including benchmarks, for full operating capability; any refinements to the cost estimate for full operating capability and the total lifecycle cost of the project; and the progress toward developing, implementing, and fielding the interoperable electronic health record throughout the medical facilities of the Department of Defense and the Department of Veterans Affairs. The PEO DHMS is further directed to continue briefing the House and Senate Defense Appropriations Subcommittees on a quarterly basis, coinciding with the report submission. The conferees also direct the Director of the IPO to continue to provide quarterly reports to the House and Senate Appropriations Committees, Subcommittees on Defense and Military Construction, Veterans Affairs, and Related Agencies on the progress of interoperability between the two Departments. Additionally, the conferees direct the Comptroller General to perform a review of the implementation of MHS GENESIS at the four currently active sites and submit a report to the House and Senate Appropriations Committees not later than 180 days after the enactment of this Act. The report should include, but not be limited to, how MHS GENESIS is addressing the concerns raised by the Initial Operational Test and Evaluation report; the performance of MHS GENESIS in meeting the demands of each of the medical facilities; underlying issues with implementation; anticipated delays in implementation; and the impact on the execution of funds. The conferees also direct the Comptroller General to perform quarterly reviews of the electronic health record deployment. COMBAT READINESS MEDICAL RESEARCH The conference agreement provides $15,000,000 for Combat Readiness Medical Research. The conferees direct the Assistant Secretary of Defense (Health Affairs) to competitively award this funding to support the activities described under the heading ``Joint Warfighter Medical Research ***Program***'' of House Report 115-769. TRAUMA TRAINING The conferees direct the Secretary of Defense to submit a report to the congressional defense committees not later than 180 days after the enactment of this Act on improving trauma training for trauma teams of the Department of Defense, including through the use of the Joint Trauma Education and Training Directorate established under section 708 of the National Defense Authorization Act for Fiscal ***Year*** 2017. The report should include recommendations on how to best coordinate trauma teams of the Department of Defense with trauma partners in the civilian sector, including evaluating how trauma surgeons and military physicians can best partner with civilian level I trauma centers that are verified by the American College of Surgeons, including those that are linked to a bum center that offer bum rotations and clinical experience, to provide adequate training and readiness of the next generation of medical providers to treat critically injured bum patients and other military trauma victims. LEAD ASSESSMENTS AND TESTING FOR INFANTS The conferees recognize the importance of screening and testing children for elevated blood lead levels to prevent childhood lead toxicity. Therefore, the conferees direct the Secretary of Defense to provide risk assessments and targeted blood testing for elevated blood lead levels to all TRICARE beneficiary children during their 12-month and 24-month wellness checks or annual physical examinations. Chemical Agents and Munitions Destruction, Defense The agreement provides $993,816,000 for Chemical Agents and Munitions Destruction, Defense, as follows: EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [In thousands of dollars] ---------------------------------------------------------------------------------------------------------------- Budget Request House Senate Conference ---------------------------------------------------------------------------------------------------------------- OPERATION AND MAINTENANCE................................... 105,997 105,997 105,997 105,997 PROCUREMENT................................................. 1,091 1,091 1,091 1,091 RESEARCH, DEVELOPMENT, TEST AND EVALUATION.................. 886,728 886,728 886,728 886,728 --------------------------------------------------- TOTAL, CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, 993,816 993,816 993,816 993,816 DEFENSE............................................ ----------------------------------------------------------------------------------------------------------------

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[***Washington: CHILD PROTECTION IMPROVEMENTS ACT OF 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJ6-PV21-JDG9-Y1KR-00000-00&context=1516831)

Impact News Service

January 31, 2018 Wednesday

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**Length:** 43391 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following Speech:

 General Leave Ms. GRANGER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks. The SPEAKER pro tempore (Mr. Mitchell). Is there objection to the request of the gentlewoman from Texas? [[Page H699]] There was no objection. Ms. GRANGER. Mr. Speaker, pursuant to House Resolution 714, I call up the bill (H.R 695) to amend the National Child Protection Act of 1993 to establish a national criminal history background check system and criminal history review ***program*** for certain individuals who, related to their employment, have access to children, the elderly, or individuals with disabilities, and for other purposes, with the Senate amendments thereto, and ask for its immediate consideration.

The Clerk read the title of the bill. The SPEAKER pro tempore. The Clerk will designate the Senate amendments. Senate amendments: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Child Protection Improvements Act of 2017''. SEC. 2. NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AND CRIMINAL HISTORY REVIEW ***PROGRAM***. The National Child Protection Act of 1993 (34 U.S.C 40101 et seq.) is amended-- (1) in section 3 (34 U.S.C 40102)-- (A) by striking ``provider'' each place it appears and inserting ``covered individual''; (B) by striking ``provider's'' each place it appears and inserting ``covered individual's''; (C) by amending subsection (a)(3) to read as follows: ``(3)(A) The Attorney General shall establish a ***program***, in accordance with this section, to provide qualified entities located in States that do not have in effect procedures described in paragraph (1), or qualified entities located in States that do not prohibit the use of the ***program*** established under this paragraph, with access to national criminal history background checks on, and criminal history reviews of, covered individuals. ``(B) A qualified entity described in subparagraph (A) may submit to the appropriate designated entity a request for a national criminal history background check on, and a criminal history review of, a covered individual. Qualified entities making a request under this paragraph shall comply with the guidelines set forth in subsection (b), and with any additional applicable procedures set forth by the Attorney General or by the State in which the entity is located.''; (D) in subsection (b)-- (i) in paragraph (1)(E), by striking ``unsupervised''; (ii) by striking paragraph (2) and inserting the following: ``(2)(A) that the State, or in a State that does not have in effect procedures described in subsection (a)(1), the designated entity, ensures that-- ``(i) each covered individual who is the subject of a background check under subsection (a) is entitled to obtain a copy of any background check report; ``(ii) each covered individual who is the subject of a background check under subsection (a) is provided a process by which the covered individual may appeal the results of the background check to challenge the accuracy or completeness of the information contained in the background report of the covered individual; and ``(iii)(I) each covered individual described in clause (ii) is given notice of the opportunity to appeal; ``(II) each covered individual described in clause (ii) will receive instructions on how to complete the appeals process if the covered individual wishes to challenge the accuracy or completeness of the information contained in the background report of the covered individual; and ``(III) the appeals process is completed in a timely manner for each covered individual described in clause (ii); and ``(B) the State, or in a State that does not have in effect procedures described in subsection (a)(1), the designated entity, may allow for a review process-- ``(i) through which the State or designated entity, as the case may be, may determine that a covered individual who is the subject of a background check under subsection (a) is disqualified for a crime specified in subsection (f)(2)(C); and ``(ii) which shall be consistent with title VII of the Civil Rights Act of 1964 (42 U.S.C 2000e et seq.);''; (iii) in paragraph (3), by inserting after ``authorized agency'' the following: ``or designated entity, as applicable,''; and (iv) in paragraph (4), by inserting after ``authorized agency'' the following: ``or designated entity, as applicable,''; (E) in subsection (d), by inserting after ``officer or employee thereof,'' the following: ``, nor shall any designated entity nor any officer or employee thereof,''; (F) by amending subsection (e) to read as follows: ``(e) Fees.-- ``(1) State ***program***.--In the case of a background check conducted pursuant to a State requirement adopted after December 20, 1993, conducted with fingerprints on a covered individual, the fees collected by authorized State agencies and the Federal Bureau of Investigation may not exceed the actual cost of the background check conducted with fingerprints. ``(2) Federal ***program***.--In the case of a national criminal history background check and criminal history review conducted pursuant to the procedures established pursuant to subsection (a)(3), the fees collected by a designated entity shall be set at a level that will ensure the recovery of the full costs of providing all such services. The designated entity shall remit the appropriate portion of such fee to the Attorney General, which amount is in accordance with the amount published in the Federal Register to be collected for the provision of a criminal history background check by the Federal Bureau of Investigation. ``(3) Ensuring fees do not discourage volunteers.--A fee system under this subsection shall be established in a manner that ensures that fees to qualified entities for background checks do not discourage volunteers from participating in ***programs*** to care for children, the elderly, or individuals with disabilities. A fee charged to a qualified entity that is not organized under section 501(c)(3) of the Internal Revenue Code of 1986 may not be less than the total sum of the costs of the Federal Bureau of Investigation and the designated entity.''; and (G) by inserting after subsection (e) the following: ``(f) National Criminal History Background Check and Criminal History Review ***Program***.-- ``(1) National criminal history background check.--Upon a designated entity receiving notice of a request submitted by a qualified entity pursuant to subsection (a)(3), the designated entity shall forward the request to the Attorney General, who shall, acting through the Director of the Federal Bureau of Investigation, complete a fingerprint-based check of the national criminal history background check system, and provide the information received in response to such national criminal history background check to the appropriate designated entity. The designated entity may, upon request from a qualified entity, complete a check of a State criminal history database. ``(2) Criminal history review.-- ``(A) Designated entities.--The Attorney General shall designate, and enter into an agreement with, one or more entities to make determinations described in paragraph (2). The Attorney General may not designate and enter into an agreement with a Federal agency under this subparagraph. ``(B) Determinations.--A designated entity shall, upon the receipt of the information described in paragraph (1), make a determination of fitness described in subsection (b)(4), using the criteria described in subparagraph (C). ``(C) Criminal history review criteria.--A covered individual may be determined to be unfit under subsection (b)(4) if the covered individual-- ``(i) refuses to consent to a criminal background check under this section; ``(ii) knowingly makes a materially false statement in connection with a criminal background check under this section; ``(iii) is registered, or is required to be registered, on a State sex offender registry or repository or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (34 U.S.C 20901 et seq.); ``(iv) has been convicted of a felony consisting of-- ``(I) murder, as described in section 1111 of title 18, United States Code; ``(II) child abuse or neglect; ``(III) a crime against children, including child pornography; ``(IV) spousal abuse; ``(V) a crime involving rape or sexual assault; ``(VI) kidnapping; ``(VII) arson; ``(VIII) physical assault or battery; or ``(IX) a drug-related offense committed during the preceding 5 ***years***; ``(v) has been convicted of a violent misdemeanor committed as an adult against a child, including-- ``(I) child abuse; ``(II) child endangerment; ``(III) sexual assault; or ``(IV) of a misdemeanor involving child pornography; or ``(vi) in the case of a covered individual who has, seeks to have, or may have access to the elderly or individuals with disabilities, has been convicted of any criminal offense relating to the abuse, exploitation, or neglect (as those terms are defined in section 2011 of the Social Security Act (42 U.S.C 1397j)) of an elder or an individual with disabilities.''; and (2) in section 5 (34 U.S.C 40104)-- (A) by amending paragraph (9) to read as follows: ``(9) the term `covered individual' means an individual-- ``(A) who has, seeks to have, or may have access to children, the elderly, or individuals with disabilities, served by a qualified entity; and ``(B) who-- ``(i) is employed by or volunteers with, or seeks to be employed by or volunteer with, a qualified entity; or ``(ii) owns or operates, or seeks to own or operate, a qualified entity;''; (B) in paragraph (10), by striking ``and'' at the end; (C) in paragraph (11), by striking the period at the end and inserting ``; and''; and (D) by inserting after paragraph (11) the following: ``(12) the term `designated entity' means an entity designated by the Attorney General under section 3(f)(2)(A).''. SEC. 3. EFFECTIVE DATE. This Act and the amendments made by this Act shall be fully implemented by not later than 1 ***year*** after the date of enactment of this Act. Amend the title so as to read: ``A bill to amend the National Child Protection Act of 1993 to establish a voluntary national criminal history background check system and criminal history review ***program*** for certain [[Page H700]] individuals who, related to their employment, have access to children, the elderly, or individuals with disabilities, and for other purposes.''. Motion to Concur Ms. GRANGER. Mr. Speaker, I have a motion at the desk. The SPEAKER pro tempore. The Clerk will designate the motion. The text of the motion is as follows: Ms. Granger moves that the House concur in the Senate amendment to the title of H.R 695 and that the House concur in the Senate amendment to the text of H.R 695 with an amendment consisting of the text of Rules Committee Print 115-56. The text of the House amendment to the Senate amendment to the text is as follows: In lieu of the matter proposed to be inserted by the Senate, insert the following: That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal ***year*** ending September 30, 2018, for military functions administered by the Department of Defense and for other purposes, namely: TITLE I MILITARY PERSONNEL Military Personnel, Army For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $41,427,054,000. Military Personnel, Navy For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $28,707,918,000 (reduced by $2,000,000) (increased by $2,000,000). Military Personnel, Marine Corps For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $13,165,714,000. Military Personnel, Air Force For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers' Training Corps; and for ***payments*** pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C 402 note), and to the Department of Defense Military Retirement Fund, $28,738,320,000. Reserve Personnel, Army For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $4,721,128,000. Reserve Personnel, Navy For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $1,987,662,000. Reserve Personnel, Marine Corps For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $762,793,000. Reserve Personnel, Air Force For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $1,808,434,000. National Guard Personnel, Army For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $8,252,426,000. National Guard Personnel, Air Force For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for ***payments*** to the Department of Defense Military Retirement Fund, $3,406,137,000. TITLE II OPERATION AND MAINTENANCE Operation and Maintenance, Army For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law, $38,483,846,000 (reduced by $5,000,000) (reduced by $5,600,000) (reduced by $6,000,000): Provided, That not to exceed $12,478,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Navy For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law, $45,980,133,000 (reduced by $598,000) (reduced by $7,000,000): Provided, That not to exceed $15,055,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Marine Corps For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, $6,885,884,000. Operation and Maintenance, Air Force For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law, $38,592,745,000: Provided, That not to exceed $7,699,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and ***payments*** may be made on his certificate of necessity for confidential military purposes. Operation and Maintenance, Defense-Wide (including ***transfer*** of funds) For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, $33,771,769,000 (increased by $5,000,000) (reduced by $10,000,000) (reduced by $100,000) (increased by $100,000) (reduced by $194,897,000) (increased by $194,897,000) (reduced by $26,200,000) (reduced by $20,000,000) (reduced by $6,000,000) (reduced by $4,000,000) (reduced by $20,000,000) (reduced by $1,000,000) (reduced by $10,000,000) (reduced by $2,500,000) (reduced by $2,000,000) (reduced by $8,000,000) (reduced by $6,250,000) (reduced by $10,000,000) (reduced by $10,000,000) (reduced by $30,000,000) (reduced by $34,734,000) (reduced by $60,000,000): Provided, That not more than $15,000,000 may be [[Page H701]] used for the Combatant Commander Initiative Fund authorized under section 166a of title 10, United States Code: Provided further, That not to exceed $36,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and ***payments*** may be made on his certificate of necessity for confidential military purposes: Provided further, That of the funds provided under this heading, not less than $38,458,000 shall be made available for the Procurement Technical Assistance Cooperative Agreement ***Program***, of which not less than $3,600,000 shall be available for centers defined in 10 U.S.C 2411(1)(D): Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: Provided further, That $9,385,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be ***transferred*** as necessary by the Secretary of Defense to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which ***transferred***: Provided further, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: Provided further, That of the funds provided under this heading, $415,000,000, of which $100,000,000 to remain available until September 30, 2019, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation ***programs***: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Operation and Maintenance, Army Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $2,870,163,000. Operation and Maintenance, Navy Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $1,038,507,000. Operation and Maintenance, Marine Corps Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $282,337,000. Operation and Maintenance, Air Force Reserve For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $3,233,745,000. Operation and Maintenance, Army National Guard For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), $7,275,820,000. Operation and Maintenance, Air National Guard For expenses of training, organizing, and administering the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; transportation of things, hire of passenger motor vehicles; supplying and equipping the Air National Guard, as authorized by law; expenses for repair, modification, maintenance, and issue of supplies and equipment, including those furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, $6,735,930,000. United States Court of Appeals for the Armed Forces For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, $14,538,000, of which not to exceed $5,000 may be used for official representation purposes. Environmental Restoration, Army (including ***transfer*** of funds) For the Department of the Army, $215,809,000, to remain available until ***transferred***: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Navy (including ***transfer*** of funds) For the Department of the Navy, $288,915,000 (increased by $34,734,000) (increased by $30,000,000), to remain available until ***transferred***: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Air Force (including ***transfer*** of funds) For the Department of the Air Force, $308,749,000 (increased by $30,000,000), to remain available until ***transferred***: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Defense-Wide (including ***transfer*** of funds) For the Department of Defense, $9,002,000 (increased by $10,000,000), to remain available until ***transferred***: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Environmental Restoration, Formerly Used Defense Sites (including ***transfer*** of funds) For the Department of the Army, $233,673,000, to remain available until ***transferred***: Provided, That the Secretary of the [[Page H702]] Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, ***transfer*** the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Overseas Humanitarian, Disaster, and Civic Aid For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid ***programs*** of the Department of Defense (consisting of the ***programs*** provided under sections 401, 402, 404, 407, 2557, and 2561 of title 10, United States Code), $107,900,000, to remain available until September 30, 2018. Cooperative Threat Reduction Account For assistance, including assistance provided by contract or by grants, under ***programs*** and activities of the Department of Defense Cooperative Threat Reduction ***Program*** authorized under the D

epartment of Defense Cooperative Threat Reduction Act, $324,600,000, to remain available until September 30, 2019. Operation and Maintenance, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $5,000,000,000, for the ``Operation and Maintenance, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to operation and maintenance accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense. TITLE III PROCUREMENT Aircraft Procurement, Army For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $4,456,533,000, to remain available for obligation until September 30, 2020. Missile Procurement, Army For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $2,581,600,000, to remain available for obligation until September 30, 2020. Procurement of Weapons and Tracked Combat Vehicles, Army For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor- owned equipment layaway; and other expenses necessary for the foregoing purposes, $3,556,175,000, to remain available for obligation until September 30, 2020. Procurement of Ammunition, Army For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,811,808,000, to remain available for obligation until September 30, 2020. Other Procurement, Army For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $6,356,044,000 (increased by $30,000,000), to remain available for obligation until September 30, 2020. Aircraft Procurement, Navy For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor- owned equipment layaway, $17,908,270,000, to remain available for obligation until September 30, 2020. Weapons Procurement, Navy For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $3,387,826,000 (increased by $26,200,000), to remain available for obligation until September 30, 2020. Procurement of Ammunition, Navy and Marine Corps For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $735,651,000, to remain available for obligation until September 30, 2020. Shipbuilding and Conversion, Navy For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long lead time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows: Ohio Replacement Submarine (AP), $842,853,000; Carrier Replacement ***Program***, $1,869,646,000; Carrier Replacement ***Program*** (AP), $2,561,058,000; Virginia Class Submarine, $3,305,315,000; Virginia Class Submarine (AP), $1,920,596,000; CVN Refueling Overhauls, $1,569,669,000; CVN Refueling Overhauls (AP), $75,897,000; [[Page H703]] DDG-1000 ***Program***, $164,976,000; DDG-51 Destroyer, $3,499,079,000; DDG-51 Destroyer (AP), $90,336,000; Littoral Combat Ship, $1,566,971,000; Expeditionary Sea Base, $635,000,000; LHA Replacement, $1,695,077,000; TAO Fleet Oiler, $449,415,000; TAO Fleet Oiler (AP), $75,068,000; Ship to Shore Connector, $390,554,000; Service Craft, $23,994,000; Towing, Salvage, and Rescue Ship, $76,204,000; LCU 1700, $31,850,000; For outfitting, post delivery, conversions, and first destination transportation, $542,626,000; and Completion of Prior ***Year*** Shipbuilding ***Programs***, $117,542,000. In all: $21,503,726,000, to remain available for obligation until September 30, 2022: Provided, That additional obligations may be incurred after September 30, 2022, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards: Provided further, That funds appropriated or otherwise made available by this Act for production of the common missile compartment of nuclear- powered vessels may be available for multiyear procurement of critical components to support continuous production of such compartments only in accordance with the provisions of subsection (i) of section 2218a of title 10, United States Code (as added by section 1023 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328)). Other Procurement, Navy For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of passenger motor vehicles for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $7,852,952,000, to remain available for obligation until September 30, 2020. Procurement, Marine Corps For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, $1,818,846,000 (increased by $20,000,000), to remain available for obligation until September 30, 2020. Aircraft Procurement, Air Force For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $16,553,196,000 (increased by $16,000,000), to remain available for obligation until September 30, 2020. Missile Procurement, Air Force For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $2,203,101,000, to remain available for obligation until September 30, 2020. Space Procurement, Air Force For construction, procurement, and modification of spacecraft, rockets, and related equipment, including spare parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $3,210,355,000, to remain available for obligation until September 30, 2020. Procurement of Ammunition, Air Force For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,316,977,000, to remain available for obligation until September 30, 2020. Other Procurement, Air Force For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $19,318,814,000, to remain available for obligation until September 30, 2020. Procurement, Defense-Wide For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, $5,239,239,000 (reduced by $10,000,000), to remain available for obligation until September 30, 2020. Defense Production Act Purchases For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C 4518, 4531, 4532, and 4533), $67,401,000, to remain available until expended. Procurement, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $12,622,931,000, for the ``Procurement, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to procurement accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act, except for missile defense requirements resulting from urgent or emergent operational needs: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense. TITLE IV RESEARCH, DEVELOPMENT, TEST AND EVALUATION Research, Development, Test and Evaluation, Army For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $9,674,222,000 (increased by $6,000,000) (increased by $4,000,000) (increased by $12,000,000) (increased by $5,000,000), to remain available for obligation until September 30, 2019. [[Page H704]] Research, Development, Test and Evaluation, Navy For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $17,196,521,000 (increased by $598,000) (increased by $20,000,000) (reduced by $2,500,000) (increased by $24,000,000), to remain available for obligation until September 30, 2019: Provided, That funds appropriated in this paragraph which are available for the V- 22 may be used to meet unique operational requirements of the Special Operations Forces. Research, Development, Test and Evaluation, Air Force For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $33,874,980,000 (increased by $5,000,000) (increased by $6,000,000) (increased by $10,000,000) (reduced by $30,000,000) (increased by $30,000,000), to remain available for obligation until September 30, 2019. Research, Development, Test and Evaluation, Defense-Wide (including ***transfer*** of funds) For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, $20,698,353,000 (reduced by $16,000,000) (reduced by $12,000,000) (reduced by $2,500,000) (reduced by $12,500,000) (increased by $20,000,000) (reduced by $20,000,000) (reduced by $4,135,000) (increased by $4,135,000) (reduced by $27,500,000) (increased by $10,000,000), to remain available for obligation until September 30, 2019: Provided, That, of the funds made available in this paragraph, $250,000,000 for the Defense Rapid Innovation ***Program*** shall only be available for expenses, not otherwise provided for, to include ***program*** management and oversight, to conduct research, development, test and evaluation to include proof of concept demonstration; engineering, testing, and validation; and transition to full-scale production: Provided further, That the Secretary of Defense may ***transfer*** funds provided herein for the Defense Rapid Innovation ***Program*** to appropriations for research, development, test and evaluation to accomplish the purpose provided herein: Provided further, That this ***transfer*** authority is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That the Secretary of Defense shall, not fewer than 30 days prior to making ***transfers*** from this appropriation, notify the congressional defense committees in writing of the details of any such ***transfer***. Operational Test and Evaluation, Defense For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith, $210,900,000, to remain available for obligation until September 30, 2019. Research, Development, Test and Evaluation, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the ``Research, Development, Test and Evaluation, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to research, development, test and evaluation accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act, except for missile defense requirements resulting from urgent or emergent operational needs: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense. TITLE V REVOLVING AND MANAGEMENT FUNDS Defense Working Capital Funds For the Defense Working Capital Funds, $1,586,596,000. TITLE VI OTHER DEPARTMENT OF DEFENSE ***PROGRAMS*** Defense Health ***Program*** For expenses, not otherwise provided for, for medical and health care ***programs*** of the Department of Defense as authorized by law, $33,931,566,000 (increased by $7,000,000) (increased by $1,000,000) (increased by $10,000,000) (increased by $2,000,000) (increased by $2,000,000) (increased by $10,000,000) (increased by $5,000,000) (increased by $10,000,000); of which $31,735,923,000 (increased by $2,000,000) (increased by $5,000,000) shall be for operation and maintenance, of which not to exceed one percent shall remain available for obligation until September 30, 2019, and of which up to $15,349,700,000 may be available for contracts entered into under the TRICARE ***program***; of which $895,328,000, to remain available for obligation until September 30, 2020, shall be for procurement; and of which $1,300,315,000 (increased by $7,000,000) (increased by $1,000,000) (increased by $10,000,000) (increased by $2,000,000) (increased by $10,000,000) (increased by $10,000,000), to remain available for obligation until September 30, 2019, shall be for research, development, test and evaluation: Provided, That, notwithstanding any other provision of law, of the amount made available under this heading for research, development, test and evaluation, not less than $8,000,000 shall be available for HIV prevention educational activities undertaken in connection with United States military training, exercises, and humanitarian assistance activities conducted primarily in African nations: Provided further, That of the funds provided under this heading for research, development, test and evaluation, not less than $627,100,000 shall be made available to the United States Army Medical Research and Materiel Command to carry out the congressionally directed medical research ***programs***. Chemical Agents and Munitions Destruction, Defense For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $961,732,000, of which $104,237,000 shall be for operation and maintenance, of which no less than $49,401,000 shall be for the Chemical Stockpile Emergency Preparedness ***Program***, consisting of $21,045,000 for activities on military installations and $28,356,000, to remain available until September 30, 2019, to assist State and local governments; $18,081,000 shall be for procurement, to remain available until September 30, 2020, of which $18,081,000 shall be for the Chemical Stockpile Emergency Preparedness ***Program*** to assist State and local governments; and $839,414,000, to remain available until September 30, 2019, shall be for research, development, test and evaluation, of which $750,700,000 shall only be for the Assembled Chemical Weapons Alternatives ***program***. Drug Interdiction and Counter-Drug Activities, Defense (including ***transfer*** of funds) For drug interdiction and counter-drug activities of the Department of Defense, for ***transfer*** to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for operation and maintenance; for procurement; and for research, development, test and evaluation, $854,814,000, of which $532,648,000 shall be for counter-narcotics support; $120,813,000 shall be for the drug demand reduction ***program***; and $201,353,000 shall be for the National Guard counter-drug ***program***: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which ***transferred***: Provided further, That upon a determination that all or part of the funds ***transferred*** from this appropriation are not necessary for the purposes provided herein, such amounts may be ***transferred*** back to this appropriation: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority contained elsewhere in this Act. Office of the Inspector General For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $336,887,000, of which $334,087,000 shall be for operation and maintenance, of which not to exceed $700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and ***payments*** may be made on the Inspector General's certificate of necessity for confidential military purposes; and of which $2,800,000, to remain available until September 30, 2019, shall be for research, development, test and evaluation. TITLE VII RELATED AGENCIES Central Intelligence Agency Retirement and Disability System Fund For ***payment*** to the Central Intelligence Agency Retirement and Disability System [[Page H705]] Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, $514,000,000. Intelligence Community Management Account For necessary expenses of the Intelligence Community Management Account, $522,100,000. TITLE VIII GENERAL PROVISIONS Sec. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress. Sec. 8002. During the current fiscal ***year***, provisions of law prohibiting the ***payment*** of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey. Sec. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal ***year***, unless expressly so provided herein. Sec. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal ***year*** shall be obligated during the last 2 months of the fiscal ***year***: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps. (***transfer*** of funds) Sec. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, ***transfer*** not to exceed $4,500,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which ***transferred***: Provided, That such authority to ***transfer*** may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all ***transfers*** made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2017: Provided further, That ***transfers*** among military personnel appropriations shall not be taken into account for purposes of the limitation on the amount of funds that may be ***transferred*** under this section. Sec. 8006. (a) With regard to the list of specific ***programs***, projects, and activities (and the dollar amounts and adjustments to budget activities corresponding to such ***programs***, projects, and activities) contained in the tables titled Explanation of Project Level Adjustments in the explanatory statement regarding this Act, the obligation and expenditure of amounts appropriated or otherwise made available in this Act for those ***programs***, projects, and activities for which the amounts appropriated exceed the amounts requested are hereby required by law to be carried out in the manner provided by such tables to the same extent as if the tables were included in the text of this Act. (b) Amounts specified in the referenced tables described in subsection (a) shall not be treated as subdivisions of appropriations for purposes of section 8005 of this Act: Provided, That section 8005 shall apply when ***transfers*** of the amounts described in subsection (a) occur between appropriation accounts. Sec. 8007. (a) Not later than 60 days after enactment of this Act, the Department of Defense shall submit a report to the congressional defense committees to establish the baseline for application of reprogramming and ***transfer*** authorities for fiscal ***year*** 2018: Provided, That the report shall include-- (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal ***year*** enacted level; (2) a delineation in the table for each appropriation both by budget activity and ***program***, project, and activity as detailed in the Budget Appendix; and (3) an identification of items of special congressional interest. (b) Notwithstanding section 8005 of this Act, none of the funds provided in this Act shall be available for reprogramming or ***transfer*** until the report identified in subsection (a) is submitted to the congressional defense committees, unless the Secretary of Defense certifies in writing to the congressional defense committees that such reprogramming or ***transfer*** is necessary as an emergency requirement: Provided, That this subsection shall not apply to ***transfers*** from the following appropriations accounts: (1) ``Environmental Restoration, Army''; (2) ``Environmental Restoration, Navy''; (3) ``Environmental Restoration, Air Force''; (4) ``Environmental Restoration, Defense-Wide'' (5) ``Environmental Restoration, Formerly Used Defense Sites''; and (6) ``Drug Interdiction and Counter-drug Activities, Defense''. (***transfer*** of funds) Sec. 8008. During the current fiscal ***year***, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That ***transfers*** may be made between such funds: Provided further, That ***transfers*** may be made between working capital funds and the ``Foreign Currency Fluctuations, Defense'' appropriation and the ``Operation and Maintenance'' appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such ***transfers*** may not be made unless the Secretary of Defense has notified the Congress of the proposed ***transfer***: Provided further, That except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation. Sec. 8009. Funds appropriated by this Act may not be used to initiate a special access ***program*** without prior notification 30 ***calendar*** days in advance to the congressional defense committees. Sec. 8010. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one ***year*** of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one ***year***, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 30- day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement: Provided further, That none of the funds provided in this Act may be used for a multiyear contract executed after the date of the enactment of this Act unless in the case of any such contract-- (1) the Secretary of Defense has submitted to Congress a budget request for full funding of units to be procured through the contract and, in the case of a contract for procurement of aircraft, that includes, for any aircraft unit to be procured through the contract for which procurement funds are requested in that budget request for production beyond advance procurement activities in the fiscal ***year*** covered by the budget, full funding of procurement of such unit in that fiscal ***year***; (2) cancellation provisions in the contract do not include consideration of recurring manufacturing costs of the contractor associated with the production of unfunded units to be delivered under the contract; (3) the contract provides that ***payments*** to the contractor under the contract shall not be made in advance of incurred costs on funded units; and (4) the contract does not provide for a price adjustment based on a failure to award a follow-on contract. Funds appropriated in title III of this Act may be used, subject to section 2306b of title 10 , United States Code, for multiyear procurement contracts as follows: V-22 Osprey [[Page H706]] aircraft variants; up to 13 SSN Virginia Class Submarines and Government-furnished equipment; and DDG-51 Arleigh Burke class Flight III guided missile destroyers, the MK 41 Vertical Launching Systems, and associated Government- furnished systems and subsystems. Sec. 8011. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported as required by section 401(d) of title 10, United States Code: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education ***programs*** conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam. Sec. 8012. (a) During the current fiscal ***year***, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal ***year*** shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal ***year***. (b) The fiscal ***year*** 2019 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal ***year*** 2019 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal ***year*** 2019. (c) As required by section 1107 of the National Defense Authorization Act for Fiscal ***Year*** 2014 (Public Law 113-66; 10 U.S.C 2358 note) civilian personnel at the Department of Army Science and Technology Reinvention Laboratories may not be managed on the basis of the Table of Distribution and Allowances, and the management of the workforce strength shall be done in a manner consistent with the budget available with respect to such Laboratories. (d) Nothing in this section shall be construed to apply to military (civilian) technicians. Sec. 8013. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress. Sec. 8014. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this section shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this section applies only to active components of the Army. (***transfer*** of funds) Sec. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege ***Program*** may be ***transferred*** to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege ***Program*** developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal ***Year*** 1991 (Public Law 101-510; 10 U.S.C 2302 note), as amended, under the authority of this provision or any other ***transfer*** authority contained in this Act. Sec. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section, the term ``manufactured'' shall include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes. Sec. 8017. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols, or to demilitarize or destroy small arms ammunition or ammunition components that are not otherwise prohibited from commercial sale under Federal law, unless the small arms ammunition or ammunition components are certified by the Secretary of the Army or designee as unserviceable or unsafe for further use. Sec. 8018. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal ***year*** for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by- case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government. Sec. 8019. Of the funds made available in this Act, $20,000,000 shall be available for incentive ***payments*** authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C 1544): Provided, That a prime contractor or a subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in section 1544 of title 25, United States Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code, shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C 1544) whenever the prime contract or subcontract amount is over $500,000 and involves the expenditure of funds appropriated by an Act making appropriations for the Department of Defense with respect to any fiscal ***year***: Provided further, That notwithstanding section 1906 of title 41, United States Code, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part, by any subcontractor or supplier defined in section 1544 of title 25, United States Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code. Sec. 8020. Funds appropriated by this Act for the Defense Media Activity shall not be used for any national or international political or psychological activities. Sec. 8021. During the current fiscal ***year***, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations. Sec. 8022. (a) Of the funds made available in this Act, not less than $43,100,000 shall be available for the Civil Air Patrol Corporation, of which-- (1) $30,800,000 shall be available from ``Operation and Maintenance, Air Force'' to support Civil Air Patrol Corporation operation and maintenance, readiness, counter- drug activities, and drug demand reduction activities involving youth ***programs***; (2) $10,600,000 shall be available from ``Aircraft Procurement, Air Force''; and (3) $1,700,000 shall be available from ``Other Procurement, Air Force'' for vehicle procurement. (b) The Secretary of the Air Force should waive reimbursement for any funds used by the Civil Air Patrol for counter-drug activities in support of Federal, State, and local government agencies. Sec. 8023. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities. (b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal ***year***: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties. (c) Notwithstanding any other provision of law, none of the funds available to the department from any source during the current fiscal ***year*** may be used by a defense FFRDC, through a fee or other ***payment*** mechanism, for construction of new buildings not located on a military installation, for ***payment*** of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, [[Page H707]] not to include employee participation in community service and/or development. (d) Notwithstanding any other provision of law, of the funds available to the department during fiscal ***year*** 2018, not more than 6,000 staff ***years*** of technical effort (staff ***years***) may be funded for defense FFRDCs: Provided, That, of the specific amount referred to previously in this subsection, not more than 1,180 staff ***years*** may be funded for the defense studies and analysis FFRDCs: Provided further, That this subsection shall not apply to staff ***years*** funded in the National Intelligence ***Program*** (NIP) and the Military Intelligence ***Program*** (MIP). (e) The Secretary of Defense shall, with the submission of the department's fiscal ***year*** 2019 budget request, submit a report presenting the specific amounts of staff ***years*** of technical effort to be allocated for each defense FFRDC during that fiscal ***year*** and the associated budget estimates. (f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by $210,000,000. Sec. 8024. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy, or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act. Sec. 8025. For the purposes of this Act, the term ``congressional defense committees'' means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives. Sec. 8026. During the current fiscal ***year***, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or Defense Agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section. Sec. 8027. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country. (2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country. (b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal ***year*** 2018. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C 2501 et seq.), or any international agreement to which the United States is a party. (c) For purposes of this section, the term Buy American Act means chapter 83 of title 41, United States Code. Sec. 8028. During the current fiscal ***year***, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101-510; 10 U.S.C 2687 note) shall be available until expended for the ***payments*** specified by section 2921(c)(2) of that Act. Sec. 8029. (a) Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of Nevada, Idaho, North Dakota, South Dakota, Montana, Oregon, Minnesota, and Washington relocatable military housing units located at Grand Forks Air Force Base, Malmstrom Air Force Base, Mountain Home Air Force Base, Ellsworth Air Force Base, and Minot Air Force Base that are excess to the needs of the Air Force. (b) The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield ***Program*** on behalf of Indian tribes located in the States of Nevada, Idaho, North Dakota, South Dakota, Montana, Oregon, Minnesota, and Washington. Any such conveyance shall be subject to the condition that the housing units shall be removed within a reasonable period of time, as determined by the Secretary. (c) The Operation Walking Shield ***Program*** shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b). (d) In this section, the term Indian tribe means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103-454; 108 Stat. 4792; 25 U.S.C 479a-1). Sec. 8030. During the current fiscal ***year***, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $250,000. Sec. 8031. None of the funds made available by this Act may be used to-- (1) disestablish, or prepare to disestablish, a Senior Reserve Officers' Training Corps ***program*** in accordance with Department of Defense Instruction Number 1215.08, dated June 26, 2006; or (2) close, downgrade from host to extension center, or place on probation a Senior Reserve Officers' Training Corps ***program*** in accordance with the information paper of the Department of the Army titled ``Army Senior Reserve Officers' Training Corps (SROTC) ***Program*** Review and Criteria'', dated January 27, 2014. Sec. 8032. The Secretary of Defense shall issue regulations to prohibit the sale of any tobacco or tobacco- related products in military resale outlets in the United States, its territories and possessions at a price below the most competitive price in the local community: Provided, That such regulations shall direct that the prices of tobacco or tobacco-related products in overseas military retail outlets shall be within the range of prices established for military retail system stores located in the United States. Sec. 8033. (a) During the current fiscal ***year***, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal ***year*** or a subsequent fiscal ***year*** to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal ***year*** 1994 and if the purchase of such an investment item would be chargeable during the current fiscal ***year*** to appropriations made to the Department of Defense for procurement. (b) The fiscal ***year*** 2019 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal ***year*** 2019 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal ***year*** 2019 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds. Sec. 8034. None of the funds appropriated by this Act for ***programs*** of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal ***year***, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2019: Provided, That funds appropriated, ***transferred***, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal ***year*** shall remain available until expended: Provided further, That any funds appropriated or ***transferred*** to the Central Intelligence Agency for advanced research and development acquisition, for agent operations, and for covert action ***programs*** authorized by the President under section 503 of the National Security Act of 1947 (50 U.S.C 3093) shall remain available until September 30, 2019. Sec. 8035. Notwithstanding any other provision of law, funds made available in this Act and hereafter for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence ***Program*** intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands. Sec. 8036. Of the funds appropriated to the Department of Defense under the heading ``Operation and Maintenance, Defense-Wide'', not less than $12,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, [[Page H708]] and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities. Sec. 8037. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term Buy American Act means chapter 83 of title 41, United States Code. (b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a ``Made in America'' inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense. (c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality competitive, and available in a timely fashion. Sec. 8038. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used-- (1) to establish a field operating agency; or (2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is ***transferred*** or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters. (b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and the Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department. (c) This section does not apply to-- (1) field operating agencies funded within the National Intelligence ***Program***; (2) an Army field operating agency established to eliminate, mitigate, or counter the effects of improvised explosive devices, and, as determined by the Secretary of the Army, other similar threats; (3) an Army field operating agency established to improve the effectiveness and efficiencies of biometric activities and to integrate common biometric technologies throughout the Department of Defense; or (4) an Air Force field operating agency established to administer the Air Force Mortuary Affairs ***Program*** and Mortuary Operations for the Department of Defense and authorized Federal entities. Sec. 8039. (a) None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by Department of Defense civilian employees unless-- (1) the conversion is based on the result of a public- private competition that includes a most efficient and cost effective organization plan developed by such activity or function; (2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of-- (A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or (B) $10,000,000; and (3) the contractor does not receive an advantage for a proposal that would reduce costs for the Department of Defense by-- (A) not making an employer-sponsored health insurance plan available to the workers who are to be employed in the performance of that activity or function under the contract; or (B) offering to such workers an employer-sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than the amount that is paid by the Department of Defense for health benefits for civilian employees under chapter 89 of title 5, United States Code. (b)(1) The Department of Defense, without regard to subsection (a) of this section or subsection (a), (b), or (c) of section 2461 of title 10, United States Code, and notwithstanding any administrative regulation, requirement, or policy to the contrary shall have full authority to enter into a contract for the performance of any commercial or industrial type function of the Department of Defense that-- (A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (section 8503 of title 41, United States Code); (B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (C) is planned to be converted to performance by a qualified firm under at least 51 percent ownership by an Indian tribe, as defined in section 4(e) of the Indian Self- Determination and Education Assistance Act (25 U.S.C 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C 637(a)(15)). (2) This section shall not apply to depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code. (c) The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities. (rescissions) Sec. 8040. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and ***programs*** in the specified amounts: Provided, That no amounts may be rescinded from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: ``Aircraft Procurement, Navy'', 2016/2018, $274,000,000; ``Aircraft Procurement, Air Force'', 2016/2018, $82,700,000; ``Missile Procurement, Army'', 2017/2019, $19,319,000; ``Procurement of Weapons and Tracked Combat Vehicles, Army'', 2017/2019, $9,764,000; ``Other Procurement, Army'', 2017/2019, $10,000,000; ``Aircraft Procurement, Navy'', 2017/2019, $105,600,000; ``Weapons Procurement, Navy'', 2017/2019, $54,122,000; ``Shipbuilding and Conversion, Navy'', 2017/2021, $45,116,000; ``Aircraft Procurement, Air Force'', 2017/2019, $63,293,000; ``Missile Procurement, Air Force'', 2017/2019, $31,639,000; ``Space Procurement, Air Force'', 2017/2019, $15,000,000; ``Other Procurement, Air Force'', 2017/2019, $105,000,000; ``Research, Development, Test and Evaluation, Navy'', 2017/ 2018, $34,128,000; ``Research, Development, Test and Evaluation, Air Force'', 2017/2018, $41,700,000. Sec. 8041. None of the funds available in this Act may be used to reduce the authorized positions for military technicians (dual status) of the Army National Guard, Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military technicians (dual status), unless such reductions are a direct result of a reduction in military force structure. Sec. 8042. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of Korea unless specifically appropriated for that purpose. Sec. 8043. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and ***programs*** included within the National Intelligence ***Program*** and the Military Intelligence ***Program***: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures. Sec. 8044. (a) None of the funds available to the Department of Defense for any fiscal ***year*** for drug interdiction or counter-drug activities may be ***transferred*** to any other department or agency of the United States except as specifically provided in an appropriations law. (b) None of the funds available to the Central Intelligence Agency for any fiscal ***year*** for drug interdiction or counter- drug activities may be ***transferred*** to any other department or agency of the United States except as specifically provided in an appropriations law. Sec. 8045. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That this restriction shall not apply to the purchase of ``commercial items'', as defined by section 103 of title 41, United States Code, except that the restriction shall apply to ball or roller bearings purchased as end items. [[Page H709]] Sec. 8046. None of the funds made available by this Act for Evolved Expendable Launch Vehicle service competitive procurements may be used unless the competitive procurements are open for award to all certified providers of Evolved Expendable Launch Vehicle-class systems: Provided, That the award shall be made to the provider that offers the best value to the government. Sec. 8047. In addition to the amounts appropriated or otherwise made available elsewhere in this Act, $44,000,000 is hereby appropriated to the Department of Defense: Provided, That upon the determination of the Secretary of Defense that it shall serve the national interest, the Secretary shall make grants in the amounts specified as follows: $20,000,000 to the United Service Organizations and $24,000,000 to the Red Cross. Sec. 8048. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers. Sec. 8049. Notwithstanding any other provision in this Act, the Small Business Innovation Research ***program*** and the Small Business Technology ***Transfer*** ***program*** set-asides shall be taken proportionally from all ***programs***, projects, or activities to the extent they contribute to the extramural budget. Sec. 8050. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when-- (1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and (2) such bonus is part of restructuring costs associated with a business combination. (including ***transfer*** of funds) Sec. 8051. During the current fiscal ***year***, no more than $30,000,000 of appropriations made in this Act under the heading ``Operation and Maintenance, Defense-Wide'' may be ***transferred*** to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which ***transferred***, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code. Sec. 8052. During the current fiscal ***year***, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if-- (1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account; (2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and (3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal ***Year*** 1991, Public Law 101-510, as amended (31 U.S.C 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account. Sec. 8053. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis. (b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal ***year*** limitation. Sec. 8054. None of the funds available to the Department of Defense may be obligated to modify command and control relationships to give Fleet Forces Command operational and administrative control of United States Navy forces assigned to the Pacific fleet: Provided, That the command and control relationships which existed on October 1, 2004, shall remain in force until a written modification has been proposed to the House and Senate Appropriations Committees: Provided further, That the proposed modification may be implemented 30 days after the notification unless an objection is received from either the House or Senate Appropriations Committees: Provided further, That any proposed modification shall not preclude the ability of the commander of United States Pacific Command to meet operational requirements. (including ***transfer*** of funds) Sec. 8055. Of the funds appropriated in this Act under the heading ``Operation and Maintenance, Defense-Wide'', $25,000,000 (increased by $10,000,000) shall be for continued implementation and expansion of the Sexual Assault Special Victims' Counsel ***Program***: Provided, That the funds are made available for ***transfer*** to the Department of the Army, the Department of the Navy, and the Department of the Air Force: Provided further, That funds ***transferred*** shall be merged with and available for the same purposes and for the same time period as the appropriations to which the funds are ***transferred***: Provided further, That this ***transfer*** authority is in addition to any other ***transfer*** authority provided in this Act. Sec. 8056. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to ***programs*** funded within the National Intelligence ***Program***: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so. Sec. 8057. (a) The Secretary of Defense may, on a case-by- case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative ***programs*** entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country. (b) Subsection (a) applies with respect to-- (1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and (2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a). (c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section XI (chapters 50-65) of the Harmonized Tariff Schedule of the United States and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404. Sec. 8058. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business. Sec. 8059. Notwithstanding any other provision of law, funds appropriated in this Act under the heading ``Research, Development, Test and Evaluation, Defense-Wide'' for any new start advanced concept technology demonstration project or joint capability demonstration project may only be obligated 45 days after a report, including a description of the project, the planned acquisition and transition strategy and its estimated annual and total cost, has been provided in writing to the congressional defense committees: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so. Sec. 8060. The Secretary of Defense shall continue to provide a classified quarterly report to the House and Senate Appropriations Committees, Subcommittees on Defense on certain matters as directed in the classified annex accompanying this Act. Sec. 8061. Notwithstanding section 12310(b) of title 10, United States Code, a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32, United States Code, may perform duties in support of the ground-based elements of the National Ballistic Missile Defense System. Sec. 8062. None of the funds provided in this Act may be used to ***transfer*** to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of ``armor penetrator'', ``armor piercing (AP)'', ``armor piercing incendiary (API)'', or ``armor-piercing incendiary tracer (API-T)'', except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: [[Page H710]] (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State. Sec. 8063. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive ***payment*** of all or part of the consideration that otherwise would be required under section 2667 of title 10, United States Code, in the case of a lease of personal property for a period not in excess of 1 ***year*** to any organization specified in section 508(d) of title 32, United States Code, or any other youth, social, or fraternal nonprofit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis. (including ***transfer*** of funds) Sec. 8064. Of the amounts appropriated in this Act under the heading ``Operation and Maintenance, Army'', $66,881,780 shall remain available until expended: Provided, That, notwithstanding any other provision of law, the Secretary of Defense is authorized to ***transfer*** such funds to other activities of the Federal Government: Provided further, That the Secretary of Defense is authorized to enter into and carry out contracts for the acquisition of real property, construction, personal services, and operations related to projects carrying out the purposes of this section: Provided further, That contracts entered into under the authority of this section may provide for such indemnification as the Secretary determines to be necessary: Provided further, That projects authorized by this section shall comply with applicable Federal, State, and local law to the maximum extent consistent with the national security, as determined by the Secretary of Defense. Sec. 8065. (a) None of the funds appropriated in this or any other Act may be used to take any action to modify-- (1) the appropriations account structure for the National Intelligence ***Program*** budget, including through the creation of a new appropriation or new appropriation account; (2) how the National Intelligence ***Program*** budget request is presented in the unclassified P-1, R-1, and O-1 documents supporting the Department of Defense budget request; (3) the process by which the National Intelligence ***Program*** appropriations are apportioned to the executing agencies; or (4) the process by which the National Intelligence ***Program*** appropriations are allotted, obligated and disbursed. (b) Nothing in section (a) shall be construed to prohibit the merger of ***programs*** or changes to the National Intelligence ***Program*** budget at or below the Expenditure Center level, provided such change is otherwise in accordance with paragraphs (a)(1)-(3). (c) The Director of National Intelligence and the Secretary of Defense may jointly, only for the purposes of achieving auditable financial statements and improving fiscal reporting, study and develop detailed proposals for alternative financial management processes. Such study shall include a comprehensive counterintelligence risk assessment to ensure that none of the alternative processes will adversely affect counterintelligence. (d) Upon development of the detailed proposals defined under subsection (c), the Director of National Intelligence and the Secretary of Defense shall-- (1) provide the proposed alternatives to all affected agencies; (2) receive certification from all affected agencies attesting that the proposed alternatives will help achieve auditability, improve fiscal reporting, and will not adversely affect counterintelligence; and (3) not later than 30 days after receiving all necessary certifications under paragraph (2), present the proposed alternatives and certifications to the congressional defense and intelligence committees. Sec. 8066. In addition to amounts provided elsewhere in this Act, $5,000,000 (increased by $5,000,000) is hereby appropriated to the Department of Defense, to remain available for obligation until expended: Provided, That notwithstanding any other provision of law, that upon the determination of the Secretary of Defense that it shall serve the national interest, these funds shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary. (including ***transfer*** of funds) Sec. 8067. Of the amounts appropriated in this Act under the headings ``Procurement, Defense-Wide'' and ``Research, Development, Test and Evaluation, Defense-Wide'', $705,800,000 shall be for the Israeli Cooperative ***Programs***: Provided, That of this amount, $92,000,000 shall be for the Secretary of Defense to provide to the Government of Israel for the procurement of the Iron Dome defense system to counter short-range rocket threats, subject to the U.S - Israel Iron Dome Procurement Agreement, as amended; $221,500,000 shall be for the Short Range Ballistic Missile Defense (SRBMD) ***program***, including cruise missile defense research and development under the SRBMD ***program***, of which $120,000,000 shall be for co-production activities of SRBMD missiles in the United States and in Israel to meet Israel's defense requirements consistent with each nation's laws, regulations, and procedures, subject to the U.S -Israeli co- production agreement for SRBMD, as amended; $205,000,000 shall be for an upper-tier component to the Israeli Missile Defense Architecture, of which $120,000,000 shall be for co- production activities of Arrow 3 Upper Tier missiles in the United States and in Israel to meet Israel's defense requirements consistent with each nation's laws, regulations, and procedures, subject to the U.S -Israeli co-production agreement for Arrow 3 Upper Tier, as amended; $105,000,000 shall be for testing of the upper-tier component to the Israeli Missile Defense Architecture in the United States; and $82,300,000 shall be for the Arrow System Improvement ***Program*** including development of a long range, ground and airborne, detection suite: Provided further, That the ***transfer*** authority provided under this provision is in addition to any other ***transfer*** authority contained in this Act. (including ***transfer*** of funds) Sec. 8068. Of the amounts appropriated in this Act under the heading ``Shipbuilding and Conversion, Navy'', $117,542,000 shall be available until September 30, 2018, to fund prior ***year*** shipbuilding cost increases: Provided, That upon enactment of this Act, the Secretary of the Navy shall ***transfer*** funds to the following appropriations in the amounts specified: Provided further, That the amounts ***transferred*** shall be merged with and be available for the same purposes as the appropriations to which ***transferred*** to: (1) Under the heading ``Shipbuilding and Conversion, Navy'', 2012/2018: Carrier Replacement ***Program*** $20,000,000; (2) Under the heading ``Shipbuilding and Conversion, Navy'', 2008/2018: DDG-51 Destroyer $19,436,000; (3) Under the heading ``Shipbuilding and Conversion, Navy'', 2012/2018: Littoral Combat Ship $6,394,000; (4) Under the heading ``Shipbuilding and Conversion, Navy'', 2012/2018: LHA Replacement $14,200,000; (5) Under the heading ``Shipbuilding and Conversion, Navy'', 2013/2018: DDG-51 Destroyer $31,941,000; (6) Under the heading ``Shipbuilding and Conversion, Navy'', 2014/2018: Litoral Combat Ship $20,471,000; and (7) Under the heading ``Shipbuilding and Conversion, Navy'', 2015/2018: LCAC $5,100,000. Sec. 8069. Funds appropriated by this Act, or made available by the ***transfer*** of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C 3094) during fiscal ***year*** 2018 until the enactment of the Intelligence Authorization Act for Fiscal ***Year*** 2018. Sec. 8070. None of the funds provided in this Act shall be available for obligation or expenditure through a reprogramming of funds that creates or initiates a new ***program***, project, or activity unless such ***program***, project, or activity must be undertaken immediately in the interest of national security and only after written prior notification to the congressional defense committees. Sec. 8071. The budget of the President for fiscal ***year*** 2018 submitted to the Congress pursuant to section 1105 of title 31, United States Code, shall include separate budget justification documents for costs of United States Armed Forces' participation in contingency operations for the Military Personnel accounts, the Operation and Maintenance accounts, the Procurement accounts, and the Research, Development, Test and Evaluation accounts: Provided, That these documents shall include a description of the funding requested for each contingency operation, for each military service, to include all Active and Reserve components, and for each appropriations account: Provided further, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for each contingency operation, and programmatic data including, but not limited to, troop strength for each Active and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: Provided further, That these documents shall include budget exhibits OP-5 and OP-32 (as defined in the Department of Defense Financial Management Regulation) for all contingency operations for the budget ***year*** and the two preceding fiscal ***years***. Sec. 8072. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system. Sec. 8073. Notwithstanding any other provision of this Act, to reflect savings due to favorable foreign exchange rates, the total amount appropriated in this Act is hereby reduced by $289,000,000. Sec. 8074. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act: Provided, That the Air Force shall allow the 53rd Weather Reconnaissance Squadron to perform other missions in support of national defense requirements during the non- hurricane season. Sec. 8075. None of the funds provided in this Act shall be available for integration of foreign intelligence information unless the information has been lawfully collected and processed during the conduct of authorized [[Page H711]] foreign intelligence activities: Provided, That information pertaining to United States persons shall only be handled in accordance with protections provided in the Fourth Amendment of the United States Constitution as implemented through Executive Order No. 12333. Sec. 8076. (a) None of the funds appropriated by this Act may be used to ***transfer*** research and development, acquisition, or other ***program*** authority relating to current tactical unmanned aerial vehicles (TUAVs) from the Army. (b) The Army shall retain responsibility for and operational control of the MQ-1C Gray Eagle Unmanned Aerial Vehicle (UAV) in order to support the Secretary of Defense in matters relating to the employment of unmanned aerial vehicles. Sec. 8077. None of the funds appropriated by this Act for ***programs*** of the Office of the Director of National Intelligence shall remain available for obligation beyond the current fiscal ***year***, except for funds appropriated for research and technology, which shall remain available until September 30, 2019. Sec. 8078. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ``Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ``Shipbuilding and Conversion, Navy'' appropriations in any prior fiscal ***year***, and the 1 percent limitation shall apply to the total amount of the appropriation. Sec. 8079. (a) Not later than 60 days after the date of enactment of this Act, the Director of National Intelligence shall submit a report to the congressional intelligence committees to establish the baseline for application of reprogramming and ***transfer*** authorities for fiscal ***year*** 2018: Provided, That the report shall include-- (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal ***year*** enacted level; (2) a delineation in the table for each appropriation by Expenditure Center and project; and (3) an identification of items of special congressional interest. (b) None of the funds provided for the National Intelligence ***Program*** in this Act shall be available for reprogramming or ***transfer*** until the report identified in subsection (a) is submitted to the congressional intelligence committees, unless the Director of National Intelligence certifies in writing to the congressional intelligence committees that such reprogramming or ***transfer*** is necessary as an emergency requirement. Sec. 8080. None of the funds made available by this Act may be used to eliminate, restructure, or realign Army Contracting Command--New Jersey or make disproportionate personnel reductions at any Army Contracting Command--New Jersey sites without 30-day prior notification to the congressional defense committees. (rescission) Sec. 8081. Of the unobligated balances available to the Department of Defense, the following funds are permanently rescinded from the following accounts and ***programs*** in the specified amounts to reflect excess cash balances in the Department of Defense Acquisition Workforce Development Fund: From ``Department of Defense Acquisition Workforce Development Fund, Defense'', $10,000,000. Sec. 8082. None of the funds made available by this Act for excess defense articles, assistance under section 333 of title 10, United States Code, or peacekeeping operations for the countries designated annually to be in violation of the standards of the Child Soldiers Prevention Act of 2008 (Public Law 110-457; 22 U.S.C 2370c-1) may be used to support any military training or operation that includes child soldiers, as defined by the Child Soldiers Prevention Act of 2008, unless such assistance is otherwise permitted under section 404 of the Child Soldiers Prevention Act of 2008. Sec. 8083. (a) None of the funds provided for the National Intelligence ***Program*** in this or any prior appropriations Act shall be available for obligation or expenditure through a reprogramming or ***transfer*** of funds in accordance with section 102A(d) of the National Security Act of 1947 (50 U.S.C 3024(d)) that-- (1) creates a new start effort; (2) terminates a ***program*** with appropriated funding of $10,000,000 or more; (3) ***transfers*** funding into or out of the National Intelligence ***Program***; or (4) ***transfers*** funding between appropriations, unless the congressional intelligence committees are notified 30 days in advance of such reprogramming of funds; this notification period may be reduced for urgent national security requirements. (b) None of the funds provided for the National Intelligence ***Program*** in this or any prior appropriations Act shall be available for obligation or expenditure through a reprogramming or ***transfer*** of funds in accordance with section 102A(d) of the National Security Act of 1947 (50 U.S.C 3024(d)) that results in a cumulative increase or decrease of the levels specified in the classified annex accompanying the Act unless the congressional intelligence committees are notified 30 days in advance of such reprogramming of funds; this notification period may be reduced for urgent national security requirements. Sec. 8084. The Director of National Intelligence shall submit to Congress each ***year***, at or about the time that the President's budget is submitted to Congress that ***year*** under section 1105(a) of title 31, United States Code, a future- ***years*** intelligence ***program*** (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in that budget. Any such future-***years*** intelligence ***program*** shall cover the fiscal ***year*** with respect to which the budget is submitted and at least the four succeeding fiscal ***years***. Sec. 8085. For the purposes of this Act, the term ``congressional intelligence committees'' means the Permanent Select Committee on Intelligence of the House of Representatives, the Select Committee on Intelligence of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Defense of the Committee on Appropriations of the Senate. (including ***transfer*** of funds) Sec. 8086. During the current fiscal ***year***, not to exceed $11,000,000 from each of the appropriations made in title II of this Act for ``Operation and Maintenance, Army'', ``Operation and Maintenance, Navy'', and ``Operation and Maintenance, Air Force'' may be ***transferred*** by the military department concerned to its central fund established for Fisher Houses and Suites pursuant to section 2493(d) of title 10, United States Code. (including ***transfer*** of funds) Sec. 8087. Not to exceed $500,000,000 appropriated by this Act for operation and maintenance may be available for the purpose of making remittances and ***transfer*** to the Defense Acquisition Workforce Development Fund in accordance with section 1705 of title 10, United States Code. Sec. 8088. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public website of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest. (b) Subsection (a) shall not apply to a report if-- (1) the public posting of the report compromises national security; or (2) the report contains proprietary information. (c) The head of the agency posting such report shall do so only after such report has been made available to the requesting Committee or Committees of Congress for no less than 45 days. Sec. 8089. (a) None of the funds appropriated or otherwise made available by this Act may be expended for any Federal contract for an amount in excess of $1,000,000, unless the contractor agrees not to-- (1) enter into any agreement with any of its employees or independent contractors that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; or (2) take any action to enforce any provision of an existing agreement with an employee or independent contractor that mandates that the employee or independent contractor resolve through arbitration any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention. (b) None of the funds appropriated or otherwise made available by this Act may be expended for any Federal contract unless the contractor certifies that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce any provision of, any agreement as described in paragraphs (1) and (2) of subsection (a), with respect to any employee or independent contractor performing work related to such subcontract. For purposes of this subsection, a ``covered subcontractor'' is an entity that has a subcontract in excess of $1,000,000 on a contract subject to subsection (a). (c) The prohibitions in this section do not apply with respect to a contractor's or subcontractor's agreements with employees or independent contractors that may not be enforced in a court of the United States. (d) The Secretary of Defense may waive the application of subsection (a) or (b) to a particular contractor or subcontractor for the purposes of a particular contract or subcontract if the Secretary or the Deputy Secretary personally determines that the waiver is necessary to avoid harm to national security interests of the United States, and that the term of the contract or subcontract is not longer than necessary to avoid such harm. The determination shall set forth with specificity the grounds for the waiver and for the contract or subcontract term selected, and shall state any alternatives considered in lieu of a waiver and the reasons each such alternative would not avoid harm to national security interests of the United States. The Secretary of Defense shall transmit to Congress, and simultaneously make public, any determination under this subsection not less than 15 business days before the contract or subcontract addressed in the determination may be awarded. [[Page H712]] (including ***transfer*** of funds) Sec. 8090. From within the funds appropriated for operation and maintenance for the Defense Health ***Program*** in this Act, up to $115,519,000, shall be available for ***transfer*** to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund in accordance with the provisions of section 1704 of the National Defense Authorization Act for Fiscal ***Year*** 2010, Public Law 111-84: Provided, That for purposes of section 1704(b), the facility operations funded are operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veterans Affairs Medical Center, the Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by section 706 of Public Law 110-417: Provided further, That additional funds may be ***transferred*** from funds appropriated for operation and maintenance for the Defense Health ***Program*** to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Defense to the Committees on Appropriations of the House of Representatives and the Senate. Sec. 8091. None of the funds appropriated or otherwise made available by this Act may be used by the Department of Defense or a component thereof in contravention of the provisions of section 130h of title 10, United States Code. Sec. 8092. Appropriations available to the Department of Defense may be used for the purchase of heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles. (including ***transfer*** of funds) Sec. 8093. Upon a determination by the Director of National Intelligence that such action is necessary and in the national interest, the Director may, with the approval of the Office of Management and Budget, ***transfer*** not to exceed $1,500,000,000 of the funds made available in this Act for the National Intelligence ***Program***: Provided, That such authority to ***transfer*** may not be used unless for higher priority items, based on unforeseen intelligence requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2017. Sec. 8094. None of the funds appropriated or otherwise made available in this or any other Act may be used to ***transfer***, release, or assist in the ***transfer*** or release to or within the United States, its territories, or possessions Khalid Sheikh Mohammed or any other detainee who-- (1) is not a United States citizen or a member of the Armed Forces of the United States; and (2) is or was held on or after June 24, 2009, at United States Naval Station, Guantanamo Bay, Cuba, by the Department of Defense. Sec. 8095. (a) None of the funds appropriated or otherwise made available in this or any other Act may be used to construct, acquire, or modify any facility in the United States, its territories, or possessions to house any individual described in subsection (c) for the purposes of detention or imprisonment in the custody or under the effective control of the Department of Defense. (b) The prohibition in subsection (a) shall not apply to any modification of facilities at United States Naval Station, Guantanamo Bay, Cuba. (c) An individual described in this subsection is any individual who, as of June 24, 2009, is located at United States Naval Station, Guantanamo Bay, Cuba, and who-- (1) is not a citizen of the United States or a member of the Armed Forces of the United States; and (2) is-- (A) in the custody or under the effective control of the Department of Defense; or (B) otherwise under detention at United States Naval Station, Guantanamo Bay, Cuba. Sec. 8096. None of the funds appropriated or otherwise made available in this Act may be used to ***transfer*** any individual detained at United States Naval Station Guantanamo Bay, Cuba, to the custody or control of the individual's country of origin, any other foreign country, or any other foreign entity except in accordance with section 1034 of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92) and section 1034 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328). Sec. 8097. None of the funds made available by this Act may be used in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.). Sec. 8098. (a) None of the funds appropriated or otherwise made available by this or any other Act may be used by the Secretary of Defense, or any other official or officer of the Department of Defense, to enter into a contract, memorandum of understanding, or cooperative agreement with, or make a grant to, or provide a loan or loan guarantee to Rosoboronexport or any subsidiary of Rosoboronexport. (b) The Secretary of Defense may waive the limitation in subsection (a) if the Secretary, in consultation with the Secretary of State and the Director of National Intelligence, determines that it is in the vital national security interest of the United States to do so, and certifies in writing to the congressional defense committees that, to the best of the Secretary's knowledge: (1) Rosoboronexport has ceased the ***transfer*** of lethal military equipment to, and the maintenance of existing lethal military equipment for, the Government of the Syrian Arab Republic; (2) The armed forces of the Russian Federation have withdrawn from Crimea, other than armed forces present on military bases subject to agreements in force between the Government of the Russian Federation and the Government of Ukraine; and (3) Agents of the Russian Federation have ceased taking active measures to destabilize the control of the Government of Ukraine over eastern Ukraine. (c) The Inspector General of the Department of Defense shall conduct a review of any action involving Rosoboronexport with respect to a waiver issued by the Secretary of Defense pursuant to subsection (b), and not later than 90 days after the date on which such a waiver is issued by the Secretary of Defense, the Inspector General shall submit to the congressional defense committees a report containing the results of the review conducted with respect to such waiver. Sec. 8099. None of the funds made available in this Act may be used for the purchase or manufacture of a flag of the United States unless such flags are treated as covered items under section 2533a(b) of title 10, United States Code. Sec. 8100. (a) Of the funds appropriated in this Act for the Department of Defense, amounts may be made available, under such regulations as the Secretary of Defense may prescribe, to local military commanders appointed by the Secretary, or by an officer or employee designated by the Secretary, to provide at their discretion ex gratia ***payments*** in amounts consistent with subsection (d) of this section for damage, personal injury, or death that is incident to combat operations of the Armed Forces in a foreign country. (b) An ex gratia ***payment*** under this section may be provided only if-- (1) the prospective foreign civilian recipient is determined by the local military commander to be friendly to the United States; (2) a claim for damages would not be compensable under chapter 163 of title 10, United States Code (commonly known as the ``Foreign Claims Act''); and (3) the property damage, personal injury, or death was not caused by action by an enemy. (c) Nature of ***Payments***.--Any ***payments*** provided under a ***program*** under subsection (a) shall not be considered an admission or acknowledgement of any legal obligation to compensate for any damage, personal injury, or death. (d) Amount of ***Payments***.--If the Secretary of Defense determines a ***program*** under subsection (a) to be appropriate in a particular setting, the amounts of ***payments***, if any, to be provided to civilians determined to have suffered harm incident to combat operations of the Armed Forces under the ***program*** should be determined pursuant to regulations prescribed by the Secretary and based on an assessment, which should include such factors as cultural appropriateness and prevailing economic conditions. (e) Legal Advice.--Local military commanders shall receive legal advice before making ex gratia ***payments*** under this subsection. The legal advisor, under regulations of the Department of Defense, shall advise on whether an ex gratia ***payment*** is proper under this section and applicable Department of Defense regulations. (f) Written Record.--A written record of any ex gratia ***payment*** offered or denied shall be kept by the local commander and on a timely basis submitted to the appropriate office in the Department of Defense as determined by the Secretary of Defense. (g) Report.--The Secretary of Defense shall report to the congressional defense committees on an annual basis the efficacy of the ex gratia ***payment*** ***program*** including the number of types of cases considered, amounts offered, the response from ex gratia ***payment*** recipients, and any recommended modifications to the ***program***. Sec. 8101. None of the funds available in this Act to the Department of Defense, other than appropriations made for necessary or routine refurbishments, upgrades or maintenance activities, shall be used to reduce or to prepare to reduce the number of deployed and non-deployed strategic delivery vehicles and launchers below the levels set forth in the report submitted to Congress in accordance with section 1042 of the National Defense Authorization Act for Fiscal ***Year*** 2012. Sec. 8102. The Secretary of Defense shall post grant awards on a public Website in a searchable format. Sec. 8103. None of the funds made available by this Act may be used to fund the performance of a flight demonstration team at a location outside of the United States: Provided, That this prohibition applies only if a performance of a flight demonstration team at a location within the United States was canceled during the current fiscal ***year*** due to insufficient funding. Sec. 8104. None of the funds made available by this Act may be used by the National Security Agency to-- (1) conduct an acquisition pursuant to section 702 of the Foreign Intelligence Surveillance Act of 1978 for the purpose of targeting a United States person; or [[Page H713]] (2) acquire, monitor, or store the contents (as such term is defined in section 2510(8) of title 18, United States Code) of any electronic communication of a United States person from a provider of electronic communication services to the public pursuant to section 501 of the Foreign Intelligence Surveillance Act of 1978. Sec. 8105. None of the funds made available by this Act may be obligated or expended to implement the Arms Trade Treaty until the Senate approves a resolution of ratification for the Treaty. Sec. 8106. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of any agency funded by this Act who approves or implements the ***transfer*** of administrative responsibilities or budgetary resources of any ***program***, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act unless explicity provided for in a Defense Appropriations Act: Provided, That this limitation shall not apply to ***transfers*** of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense. Sec. 8107. None of the funds made available in this Act may be obligated for activities authorized under section 1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal ***Year*** 2005 (Public Law 112-81; 125 Stat. 1621) to initiate support for, or expand support to, foreign forces, irregular forces, groups, or individuals unless the congressional defense committees are notified in accordance with the direction contained in the classified annex accompanying this Act, not less than 15 days before initiating such support: Provided, That none of the funds made available in this Act may be used under section 1208 for any activity that is not in support of an ongoing military operation being conducted by United States Special Operations Forces to combat terrorism: Provided further, That the Secretary of Defense may waive the prohibitions in this section if the Secretary determines that such waiver is required by extraordinary circumstances and, by not later than 72 hours after making such waiver, notifies the congressional defense committees of such waiver. Sec. 8108. None of the funds made available by this Act may be used with respect to Iraq in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.), including for the introduction of United States armed forces into hostilities in Iraq, into situations in Iraq where imminent involvement in hostilities is clearly indicated by the circumstances, or into Iraqi territory, airspace, or waters while equipped for combat, in contravention of the congressional consultation and reporting requirements of sections 3 and 4 of such Resolution (50 U.S.C 1542 and 1543). Sec. 8109. None of the funds provided in this Act for the T-AO Fleet Oiler or the Towing, Salvage, and Rescue Ship ***programs*** shall be used to award a new contract that provides for the acquisition of the following components unless those components are manufactured in the United States: Auxiliary equipment (including pumps) for shipboard services; propulsion equipment (including engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes. Sec. 8110. The amount appropriated in title II of this Act for ``Operation and Maintenance, Army'' is hereby reduced by $75,000,000 to reflect excess cash balances in Department of Defense Working Capital Funds. Sec. 8111. Notwithstanding any other provision of this Act, to reflect savings due to lower than anticipated fuel costs, the total amount appropriated in title II of this Act is hereby reduced by $1,007,267,000. Sec. 8112. None of the funds made available by this Act may be used for Government Travel Charge Card expenses by military or civilian personnel of the Department of Defense for gaming, or for entertainment that includes topless or nude entertainers or participants, as prohibited by Department of Defense FMR, Volume 9, Chapter 3 and Department of Defense Instruction 1015.10 (enclosure 3, 14a and 14b). Sec. 8113. None of the funds made available by this Act may be used to propose, plan for, or execute a new or additional Base Realignment and Closure (BRAC) round. Sec. 8114. Of the amounts appropriated in this Act for ``Operation and Maintenance, Navy'', $289,255,000, to remain available until expended, may be used for any purposes related to the National Defense Reserve Fleet established under section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C 4405): Provided, That such amounts are available for reimbursements to the Ready Reserve Force, Maritime Administration account of the United States Department of Transportation for ***programs***, projects, activities, and expenses related to the National Defense Reserve Fleet. Sec. 8115. None of the funds made available by this Act for the Joint Surveillance Target Attack Radar System recapitalization ***program*** may be obligated or expended for pre-milestone B activities after March 31, 2018, except for source selection and other activities necessary to enter the engineering and manufacturing development phase. Sec. 8116. None of the funds made available by this Act may be used to carry out the closure or realignment of the United States Naval Station, Guantanamo Bay, Cuba. (including ***transfer*** of funds) Sec. 8117. Additional readiness funds made available in title II of this Act for ``Operation and Maintenance, Army'', ``Operation and Maintenance, Navy'', ``Operation and Maintenance, Marine Corps'', and ``Operation and Maintenance, Air Force'' may be ***transferred*** to and merged with any appropriation of the Department of Defense for activities related to the Zika virus in order to provide health support for the full range of military operations and sustain the health of the members of the Armed Forces, civilian employees of the Department of Defense, and their families, to include: research and development, disease surveillance, vaccine development, rapid detection, vector controls and surveillance, training, and outbreak response: Provided, That the authority provided in this section is subject to the same terms and conditions as the authority provided in section 8005 of this Act. Sec. 8118. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network is designed to block access to pornography websites. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities, or for any activity necessary for the national defense, including intelligence activities. Sec. 8119. Notwithstanding any other provision of law, any ***transfer*** of funds appropriated or otherwise made available by this Act to the Global Engagement Center pursuant to section 1287 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328) shall be made in accordance with section 8005 or 9002 of this Act, as applicable. Sec. 8120. No amounts credited or otherwise made available in this or any other Act to the Department of Defense Acquisition Workforce Development Fund may be ***transferred*** to: (1) the Rapid Prototyping Fund established under section 804(d) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (10 U.S.C 2302 note); or (2) credited to a military-department specific fund established under section 804(d)(2) of the National Defense Authorization Act for Fiscal ***Year*** 2016 (as amended by section 897 of the National Defense Authorization Act for Fiscal ***Year*** 2017). (including ***transfer*** fund) Sec. 8121. In addition to amounts provided elsewhere in this Act for military personnel pay, including active duty, reserve and National Guard personnel, $206,400,000 is hereby appropriated to the Department of Defense and made available for ***transfer*** only to military personnel accounts: Provided, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority provided elsewhere in this Act. Sec. 8122. In addition to amounts provided elsewhere in this Act, there is appropriated $235,000,000, for an additional amount for ``Operation and Maintenance, Defense- Wide'', to remain available until expended: Provided, That such funds shall only be available to the Secretary of Defense, acting through the Office of Economic Adjustment of the Department of Defense, or for ***transfer*** to the Secretary of Education, notwithstanding any other provision of law, to make grants, conclude cooperative agreements, or supplement other Federal funds to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools: Provided further, That in making such funds available, the Office of Economic Adjustment or the Secretary of Education shall give priority consideration to those military installations with schools having the most serious capacity or facility condition deficiencies as determined by the Secretary of Defense: Provided further, That as a condition of receiving funds under this section a local educational agency or State shall provide a matching share as described in the notice titled ``Department of Defense ***Program*** for Construction, Renovation, Repair or Expansion of Public Schools Located on Military Installations'' published by the Department of Defense in the Federal Register on September 9, 2011 (76 Fed. Reg. 55883 et seq.): Provided further, That these provisions apply to funds provided under this section, and to funds previously provided by Congress to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools to the extent such funds remain unobligated on the date of enactment of this section. Sec. 8123. None of the funds made available by this Act may be used to carry out the changes to the Joint Travel Regulations of the Department of Defense described in the memorandum of the Per Diem Travel and Transportation Allowance Committee titled ``UTD/CTD for MAP 118-13/CAP 118- 13 - Flat Rate Per Diem for Long Term TDY'' and dated October 1, 2014. Sec. 8124. In carrying out the ***program*** described in the memorandum on the subject of ``Policy for Assisted Reproductive Services for the Benefit of Seriously or Severely Ill/Injured (Category II or III) Active Duty Service Members'' issued by the Assistant Secretary of Defense for Health Affairs on April 3, 2012, and the guidance issued to implement such memorandum, the Secretary of [[Page H714]] Defense shall apply such policy and guidance, except that-- (1) the limitation on periods regarding embryo cryopreservation and storage set forth in part III(G) and in part IV(H) of such memorandum shall not apply; and (2) the term ``assisted reproductive technology'' shall include embryo cryopreservation and storage without limitation on the duration of such cryopreservation and storage. TITLE IX OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM MILITARY PERSONNEL Military Personnel, Army For an additional amount for ``Military Personnel, Army'', $2,635,317,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Navy For an additional amount for ``Military Personnel, Navy'', $377,857,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Marine Corps For an additional amount for ``Military Personnel, Marine Corps'', $103,800,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, Air Force For an additional amount for ``Military Personnel, Air Force'', $912,779,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Army For an additional amount for ``Reserve Personnel, Army'', $24,942,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Navy For an additional amount for ``Reserve Personnel, Navy'', $9,091,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Marine Corps For an additional amount for ``Reserve Personnel, Marine Corps'', $2,328,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Reserve Personnel, Air Force For an additional amount for ``Reserve Personnel, Air Force'', $20,569,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Guard Personnel, Army For an additional amount for ``National Guard Personnel, Army'', $184,589,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Guard Personnel, Air Force For an additional amount for ``National Guard Personnel, Air Force'', $5,004,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Personnel, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the ``Military Personnel, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to military personnel accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. OPERATION AND MAINTENANCE Operation and Maintenance, Army For an additional amount for ``Operation and Maintenance, Army'', $16,126,403,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Navy For an additional amount for ``Operation and Maintenance, Navy'', $5,875,015,000, of which up to $161,885,000 may be ***transferred*** to the Coast Guard ``Operating Expenses'' account: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Marine Corps For an additional amount for ``Operation and Maintenance, Marine Corps'', $1,116,640,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air Force For an additional amount for ``Operation and Maintenance, Air Force'', $10,266,295,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Defense-Wide For an additional amount for ``Operation and Maintenance, Defense-Wide'', $6,944,201,000: Provided, That of the funds provided under this heading, not to exceed $900,000,000, to remain available until September 30, 2019, shall be for ***payments*** to reimburse key cooperating nations for logistical, military, and other support, including access, provided to United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant: Provided further, That such reimbursement ***payments*** may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: Provided further, That funds provided under this heading may be used for the purpose of providing specialized training and procuring supplies and specialized equipment and providing such supplies and loaning such equipment on a non-reimbursable basis to coalition forces supporting United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant, and 15 days following notification to the appropriate congressional committees: Provided further, That funds provided under this heading may be used to support the Government of Jordan, in such amounts as the Secretary of Defense may determine, to enhance the ability of the armed forces of Jordan to increase or sustain security along its borders, upon 15 days prior written notification to the congressional defense committees outlining the amounts intended to be provided and the nature of the expenses incurred: Provided further, That of the funds provided under this heading, not to exceed $750,000,000, to remain available until September 30, 2019, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support, or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation ***programs***: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Army Reserve For an additional amount for ``Operation and Maintenance, Army Reserve'', $24,699,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Navy Reserve For an additional amount for ``Operation and Maintenance, Navy Reserve'', $23,980,000: Provided, That such amount is designated by [[Page H715]] the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Marine Corps Reserve For an additional amount for ``Operation and Maintenance, Marine Corps Reserve'', $3,367,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air Force Reserve For an additional amount for ``Operation and Maintenance, Air Force Reserve'', $58,523,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Army National Guard For an additional amount for ``Operation and Maintenance, Army National Guard'', $108,111,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, Air National Guard For an additional amount for ``Operation and Maintenance, Air National Guard'', $15,400,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Operation and Maintenance, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $2,000,000,000, for the ``Operation and Maintenance, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to operation and maintenance accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Afghanistan Security Forces Fund For the ``Afghanistan Security Forces Fund'', $4,937,515,000 (reduced by $12,000,000), to remain available until September 30, 2019: Provided, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Combined Security Transition Command--Afghanistan, or the Secretary's designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Afghanistan, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, construction, and funding: Provided further, That the Secretary of Defense may obligate and expend funds made available to the Department of Defense in this title for additional costs associated with existing projects previously funded with amounts provided under the heading ``Afghanistan Infrastructure Fund'' in prior Acts: Provided further, That such costs shall be limited to contract changes resulting from inflation, market fluctuation, rate adjustments, and other necessary contract actions to complete existing projects, and associated supervision and administration costs and costs for design during construction: Provided further, That the Secretary may not use more than $50,000,000 under the authority provided in this section: Provided further, That the Secretary shall notify in advance such contract changes and adjustments in annual reports to the congressional defense committees: Provided further, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: Provided further, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense shall notify the congressional defense committees in writing upon the receipt and upon the obligation of any contribution, delineating the sources and amounts of the funds received and the specific use of such contributions: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary of Defense shall notify the congressional defense committees of any proposed new projects or ***transfer*** of funds between budget sub-activity groups in excess of $20,000,000: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was ***transferred*** to the security forces of Afghanistan and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet ***transferred*** to the security forces of Afghanistan or ***transferred*** to the security forces of Afghanistan and returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That of the funds provided under this heading, not less than $10,000,000 shall be for recruitment and retention of women in the Afghanistan National Security Forces, and the recruitment and training of female security personnel: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Counter-ISIL Train and Equip Fund For the ``Counter-Islamic State of Iraq and the Levant Train and Equip Fund'', $1,769,000,000, to remain available until September 30, 2019: Provided, That such funds shall be available to the Secretary of Defense in coordination with the Secretary of State, to provide assistance, including training; equipment; logistics support, supplies, and services; stipends; infrastructure repair and renovation; and sustainment, to foreign security forces, irregular forces, groups, or individuals participating, or preparing to participate in activities to counter the Islamic State of Iraq and the Levant, and their affiliated or associated groups: Provided further, That these funds may be used in such amounts as the Secretary of Defense may determine to enhance the border security of nations adjacent to conflict areas including Jordan, Lebanon, Egypt, and Tunisia resulting from actions of the Islamic State of Iraq and the Levant: Provided further, That amounts made available under this heading shall be available to provide assistance only for activities in a country designated by the Secretary of Defense, in coordination with the Secretary of State, as having a security mission to counter the Islamic State of Iraq and the Levant, and following written notification to the congressional defense committees of such designation: Provided further, That the Secretary of Defense shall ensure that prior to providing assistance to elements of any forces or individuals, such elements or individuals are appropriately vetted, including at a minimum, assessing such elements for associations with terrorist groups or groups associated with the Government of Iran; and receiving commitments from such elements to promote respect for human rights and the rule of law: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary of Defense may accept and retain contributions, including assistance in-kind, from foreign governments, including the Government of Iraq and other entities, to carry out assistance authorized under this heading: Provided further, That contributions of funds for the purposes provided herein from any foreign government or other entity may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense may waive a provision of law relating to the acquisition of items and support services or sections 40 and 40A of the Arms Export Control Act (22 U.S.C 2780 and 2785) if the Secretary determines that such provision of law would prohibit, restrict, delay or otherwise limit the provision of such assistance and a notice of and justification for such waiver is submitted to the congressional defense committees, the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives: Provided further, That the United States may accept equipment procured using funds provided under this heading, or under the heading, ``Iraq Train and Equip Fund'' in prior Acts, that was ***transferred*** to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and the Levant and returned by such forces or groups to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That [[Page H716]] equipment procured using funds provided under this heading, or under the heading, ``Iraq Train and Equip Fund'' in prior Acts, and not yet ***transferred*** to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and the Levant may be treated as stocks of the Department of Defense when determined by the Secretary to no longer be required for ***transfer*** to such forces or groups and upon written notification to the congressional defense committees: Provided further, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided under this heading, including, but not limited to, the number of individuals trained, the nature and scope of support and sustainment provided to each group or individual, the area of operations for each group, and the contributions of other countries, groups, or individuals: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/ Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. PROCUREMENT Aircraft Procurement, Army For an additional amount for ``Aircraft Procurement, Army'', $424,686,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Missile Procurement, Army For an additional amount for ``Missile Procurement, Army'', $557,583,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Weapons and Tracked Combat Vehicles, Army For an additional amount for ``Procurement of Weapons and Tracked Combat Vehicles, Army'', $1,191,139,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Army For an additional amount for ``Procurement of Ammunition, Army'', $193,436,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Army For an additional amount for ``Other Procurement, Army'', $405,575,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Aircraft Procurement, Navy For an additional amount for ``Aircraft Procurement, Navy'', $157,300,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Weapons Procurement, Navy For an additional amount for ``Weapons Procurement, Navy'', $130,994,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Navy and Marine Corps For an additional amount for ``Procurement of Ammunition, Navy and Marine Corps'', $223,843,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Navy For an additional amount for ``Other Procurement, Navy'', $207,984,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement, Marine Corps For an additional amount for ``Procurement, Marine Corps'', $64,071,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Aircraft Procurement, Air Force For an additional amount for ``Aircraft Procurement, Air Force'', $510,836,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Missile Procurement, Air Force For an additional amount for ``Missile Procurement, Air Force'', $381,700,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Space Procurement, Air Force For an additional amount for ``Space Procurement, Air Force'', $2,256,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement of Ammunition, Air Force For an additional amount for ``Procurement of Ammunition, Air Force'', $501,509,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Procurement, Air Force For an additional amount for ``Other Procurement, Air Force'', $3,998,887,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement, Defense-Wide For an additional amount for ``Procurement, Defense-Wide'', $510,741,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Guard and Reserve Equipment Account For procurement of rotary-wing aircraft; combat, tactical and support vehicles; other weapons; and other procurement items for the reserve components of the Armed Forces, $1,000,000,000, to remain available for obligation until September 30, 2020: Provided, That the Chiefs of National Guard and Reserve components shall, not later than 30 days after enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective National Guard or Reserve component: Provided further, That none of the funds made available by this paragraph may be used to procure manned fixed wing aircraft, or procure or modify missiles, munitions, or ammunition: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Procurement, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $6,000,000,000, for the ``Procurement, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to procurement accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. RESEARCH, DEVELOPMENT, TEST AND EVALUATION Research, Development, Test and Evaluation, Army For an additional amount for ``Research, Development, Test and Evaluation, Army'', [[Page H717]] $119,368,000 (increased by $6,000,000), to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Navy For an additional amount for ``Research, Development, Test and Evaluation, Navy'', $124,865,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Air Force For an additional amount for ``Research, Development, Test and Evaluation, Air Force'', $144,508,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, Defense-Wide For an additional amount for ``Research, Development, Test and Evaluation, Defense-Wide'', $226,096,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Research, Development, Test and Evaluation, National Defense Restoration Fund (including ***transfer*** of funds) In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the ``Research, Development, Test and Evaluation, National Defense Restoration Fund'': Provided, That such funds provided under this heading shall only be available for ***programs***, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for ***transfer*** until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may ***transfer*** these funds only to research, development, test and evaluation accounts: Provided further, That the funds ***transferred*** shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which ***transferred***: Provided further, That none of the funds made available under this heading may be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That the ***transfer*** authority provided under this heading is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. REVOLVING AND MANAGEMENT FUNDS Defense Working Capital Funds For an additional amount for ``Defense Working Capital Funds'', $148,956,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. OTHER DEPARTMENT OF DEFENSE ***PROGRAMS*** Defense Health ***Program*** For an additional amount for ``Defense Health ***Program***'', $395,805,000, which shall be for operation and maintenance: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Drug Interdiction and Counter-Drug Activities, Defense For an additional amount for ``Drug Interdiction and Counter-Drug Activities, Defense'', $196,300,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Joint Improvised-Threat Defeat Fund (including ***transfer*** of funds) For the ``Joint Improvised-Threat Defeat Fund'', $483,058,000, to remain available until September 30, 2020: Provided, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Director of the Joint Improvised- Threat Defeat Organization to investigate, develop and provide equipment, supplies, services, training, facilities, personnel and funds to assist United States forces in the defeat of improvised explosive devices: Provided further, That the Secretary of Defense may ***transfer*** funds provided herein to appropriations for military personnel; operation and maintenance; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purpose provided herein: Provided further, That this ***transfer*** authority is in addition to any other ***transfer*** authority available to the Department of Defense: Provided further, That the Secretary of Defense shall, not fewer than 5 days prior to making ***transfers*** from this appropriation, notify the congressional defense committees in writing of the details of any such ***transfer***: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of the Inspector General For an additional amount for the ``Office of the Inspector General'', $24,692,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISIONS--THIS TITLE Sec. 9001. Notwithstanding any other provision of law, funds made available in this title are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal ***year*** 2018. (including ***transfer*** of funds) Sec. 9002. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may, with the approval of the Office of Management and Budget, ***transfer*** up to $2,500,000,000 between the appropriations or funds made available to the Department of Defense in this title: Provided, That the Secretary shall notify the Congress promptly of each ***transfer*** made pursuant to the authority in this section: Provided further, That the authority provided in this section is in addition to any other ***transfer*** authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of this Act. Sec. 9003. Supervision and administration costs and costs for design during construction associated with a construction project funded with appropriations available for operation and maintenance or the ``Afghanistan Security Forces Fund'' provided in this Act and executed in direct support of overseas contingency operations in Afghanistan, may be obligated at the time a construction contract is awarded: Provided, That, for the purpose of this section, supervision and administration costs and costs for design during construction include all in-house Government costs. Sec. 9004. From funds made available in this title, the Secretary of Defense may purchase for use by military and civilian employees of the Department of Defense in the United States Central Command area of responsibility: (1) passenger motor vehicles up to a limit of $75,000 per vehicle; and (2) heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles. Sec. 9005. Not to exceed $5,000,000 of the amounts appropriated by this title under the heading ``Operation and Maintenance, Army'' may be used, notwithstanding any other provision of law, to fund the Commanders' Emergency Response ***Program*** (CERP), for the purpose of enabling military commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements within their areas of responsibility: Provided, That each project (including any ancillary or related elements in connection with such project) executed under this authority shall not exceed $2,000,000: Provided further, That not later than 45 days after the end of each 6 months of the fiscal ***year***, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that 6-month period that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein: Provided further, That, not later than 30 days after the end of each fiscal ***year*** quarter, the Army shall submit to the congressional defense committees quarterly commitment, obligation, and expenditure data for the CERP in Afghanistan: Provided further, That, not less than 15 days before making funds available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein for a project with a total anticipated cost for completion of $500,000 or more, the Secretary shall submit to the congressional defense committees a written notice containing each of the following: (1) The location, nature and purpose of the proposed project, including how the project is intended to advance the military campaign plan for the country in which it is to be carried out. (2) The budget, implementation timeline with milestones, and completion date for the proposed project, including any other CERP [[Page H718]] funding that has been or is anticipated to be contributed to the completion of the project. (3) A plan for the sustainment of the proposed project, including the agreement with either the host nation, a non- Department of Defense agency of the United States Government or a third-party contributor to finance the sustainment of the activities and maintenance of any equipment or facilities to be provided through the proposed project. Sec. 9006. Funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to allied forces participating in a combined operation with the armed forces of the United States and coalition forces supporting military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant: Provided, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section. Sec. 9007. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows: (1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq. (2) To exercise United States control over any oil resource of Iraq. (3) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Afghanistan. Sec. 9008. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984): (1) Section 2340A of title 18, United States Code. (2) Section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations. (3) Sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148). Sec. 9009. None of the funds provided for the ``Afghanistan Security Forces Fund'' (ASFF) may be obligated prior to the approval of a financial and activity plan by the Afghanistan Resources Oversight Council (AROC) of the Department of Defense: Provided, That the AROC must approve the requirement and acquisition plan for any service requirements in excess of $50,000,000 annually and any non- standard equipment requirements in excess of $100,000,000 using ASFF: Provided further, That the Department of Defense must certify to the congressional defense committees that the AROC has convened and approved a process for ensuring compliance with the requirements in the preceding proviso and accompanying report language for the ASFF. Sec. 9010. Funds made available in this title to the Department of Defense for operation and maintenance may be used to purchase items having an investment unit cost of not more than $250,000: Provided, That, upon determination by the Secretary of Defense that such action is necessary to meet the operational requirements of a Commander of a Combatant Command engaged in contingency operations overseas, such funds may be used to purchase items having an investment item unit cost of not more than $500,000. Sec. 9011. Up to $500,000,000 of funds appropriated by this Act for the Defense Security Cooperation Agency in ``Operation and Maintenance, Defense-Wide'' may be used to provide assistance to the Government of Jordan to support the armed forces of Jordan and to enhance security along its borders. Sec. 9012. None of the funds made available by this Act under the heading ``Counter-ISIL Train and Equip Fund'' may be used to procure or ***transfer*** man-portable air defense systems. Sec. 9013. For the ``Ukraine Security Assistance Initiative'', $150,000,000 is hereby appropriated, to remain available until September 30, 2018: Provided, That such funds shall be available to the Secretary of Defense, in coordination with the Secretary of State, to provide assistance, including training; equipment; lethal weapons of a defensive nature; logistics support, supplies and services; sustainment; and intelligence support to the military and national security forces of Ukraine, and for replacement of any weapons or defensive articles provided to the Government of Ukraine from the inventory of the United States: Provided further, That the Secretary of Defense shall, not less than 15 days prior to obligating funds provided under this heading, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was ***transferred*** to the security forces of Ukraine and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet ***transferred*** to the military or National Security Forces of Ukraine or returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Sec. 9014. Funds appropriated in this title shall be available for replacement of funds for items provided to the Government of Ukraine from the inventory of the United States to the extent specifically provided for in section 9013 of this Act. Sec. 9015. None of the funds made available by this Act under section 9013 for ``Assistance and Sustainment to the Military and National Security Forces of Ukraine'' may be used to procure or ***transfer*** man-portable air defense systems. Sec. 9016. (a) None of the funds appropriated or otherwise made available by this Act under the heading ``Operation and Maintenance, Defense-Wide'' for ***payments*** under section 1233 of Public Law 110-181 for reimbursement to the Government of Pakistan may be made available unless the Secretary of Defense, in coordination with the Secretary of State, certifies to the congressional defense committees that the Government of Pakistan is-- (1) cooperating with the United States in counterterrorism efforts against the Haqqani Network, the Quetta Shura Taliban, Lashkar e-Tayyiba, Jaish-e-Mohammed, Al Qaeda, and other domestic and foreign terrorist organizations, including taking steps to end support for such groups and prevent them from basing and operating in Pakistan and carrying out cross border attacks into neighboring countries; (2) not supporting terrorist activities against United States or coalition forces in Afghanistan, and Pakistan's military and intelligence agencies are not intervening extra- judicially into political and judicial processes in Pakistan; (3) dismantling improvised explosive device (IED) networks and interdicting precursor chemicals used in the manufacture of IEDs; (4) preventing the proliferation of nuclear-related material and expertise; (5) implementing policies to protect judicial independence and due process of law; (6) issuing visas in a timely manner for United States visitors engaged in counterterrorism efforts and assistance ***programs*** in Pakistan; and (7) providing humanitarian organizations access to detainees, internally displaced persons, and other Pakistani civilians affected by the conflict. (b) The Secretary of Defense, in coordination with the Secretary of State, may waive the restriction in subsection (a) on a case-by-case basis by certifying in writing to the congressional defense committees that it is in the national security interest to do so: Provided, That if the Secretary of Defense, in coordination with the Secretary of State, exercises such waiver authority, the Secretaries shall report to the congressional defense committees on both the justification for the waiver and on the requirements of this section that the Government of Pakistan was not able to meet: Provided further, That such report may be submitted in classified form if necessary. (including ***transfer*** of funds) Sec. 9017. In addition to amounts otherwise made available in this Act, $500,000,000 is hereby appropriated to the Department of Defense and made available for ***transfer*** only to the operation and maintenance, military personnel, and procurement accounts, to improve the intelligence, surveillance, and reconnaissance capabilities of the Department of Defense: Provided, That the ***transfer*** authority provided in this section is in addition to any other ***transfer*** authority provided elsewhere in this Act: Provided further, That not later than 30 days prior to exercising the ***transfer*** authority provided in this section, the Secretary of Defense shall submit a report to the congressional defense committees on the proposed uses of these funds: Provided further, That the funds provided in this section may not be ***transferred*** to any ***program***, project, or activity specifically limited or denied by this Act: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the authority to provide funding under this section shall terminate on September 30, 2018. Sec. 9018. None of the funds made available by this Act may be used with respect to Syria in contravention of the War Powers Resolution (50 U.S.C 1541 et seq.), including for the introduction of United States armed or military forces into hostilities in Syria, into situations in Syria where imminent involvement in hostilities is clearly indicated by the circumstances, or into Syrian territory, airspace, or waters while equipped for combat, in contravention of the congressional consultation and reporting requirements of sections 3 and 4 of that law (50 U.S.C 1542 and 1543). (rescissions) Sec. 9019. Of the funds appropriated in Department of Defense Appropriations Acts, [[Page H719]] the following funds are hereby rescinded from the following accounts and ***programs*** in the specified amounts: Provided, That such amounts are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985: ``Other Procurement, Air Force'', 2017/2019, $25,100,000; ``Afghanistan Security Forces Fund'', 2017/2018, $100,000,000; and ``Counter-ISIL Train and Equip Fund'', 2017/2018, $112,513,000. ``Operation and Maintenance, Defense-Wide, DSCA Coalition Support Fund'', 2017/2018, $350,000,000. Sec. 9020. Each amount designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates all such amounts and transmits such designations to the Congress. Sec. 9021. (a) Not later than 30 days after the date of the enactment of this Act, the President shall submit to Congress a report on the United States strategy to defeat Al-Qaeda, the Taliban, the Islamic State of Iraq and Syria (ISIS), and their associated forces and co-belligerents. (b) The report required under subsection (a) shall include the following: (1) An analysis of the adequacy of the existing legal framework to accomplish the strategy described in subsection (a), particularly with respect to the Authorization for Use of Military Force (Public Law 107-40; 50 U.S.C 1541 note) and the Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107-243; 50 U.S.C 1541 note). (2) An analysis of the budgetary resources necessary to accomplish the strategy described in subsection (a). (c) Not later than 30 days after the date on which the President submits to the appropriate congressional committees the report required by subsection (a), the Secretary of State and the Secretary of Defense shall testify at any hearing held by any of the appropriate congressional committees on the report and to which the Secretary is invited. (d) In this section, the term ``appropriate congressional committees'' means-- (1) the Committee on Foreign Relations and the Committee on Armed Services of the Senate; and (2) the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives. Sec. 9022. (a) In addition to amounts provided elsewhere in this Act, there is hereby appropriated $1,184,112,000, for the following accounts and ***programs*** in the specified amounts for costs associated with Operation Freedom's Sentinel: (1) ``Military Personnel, Army'', $48,377,000; (2) ``Military Personnel, Marine Corps'', $179,000; (3) ``Military Personnel, Air Force'', $1,340,000; (4) ``Operation and Maintenance, Army'', $872,491,000; (5) ``Operation and Maintenance, Navy'', $76,274,000; (6) ``Operation and Maintenance, Marine Corps'', $24,734,000; (7) ``Operation and Maintenance, Defense-Wide'', $81,164,000; (8) ``Procurement of Ammunition, Navy and Marine Corps'', $10,853,000, to remain available until September 30, 2020; (9) ``Other Procurement, Navy'', $31,500,000, to remain available until September 30, 2020; and (10) ``Research, Development, Test and Evaluation, Navy'', $37,200,000, to remain available until September 30, 2019. (b) Amounts provided pursuant to this section are hereby designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE X--ADDITIONAL GENERAL PROVISIONS references to report Sec. 10001. Any reference to a ``report accompanying this Act'' contained in this Act shall be treated as a reference to House Report 115-219. Such report shall apply for purposes of determining the allocation of funds provided by, and the implementation of, this Act. spending reduction account Sec. 10002. $0. Sec. 10003. None of the funds appropriated or otherwise made available under the heading ``Afghanistan Security Forces Fund'' may be used to procure uniforms for the Afghan National Army. Sec. 10004. None of the funds made available in this Act may be used for the closure of a biosafety level 4 laboratory. Sec. 10005. None of the funds made available by this Act may be used to provide arms, training, or other assistance to the Azov Battalion. Sec. 10006. None of the finds made available by this Act may be used to purchase heavy water from Iran. Sec. 10007. None of the funds appropriated by this Act may be used to plan for, begin, continue, complete, process, or approve a public-private competition under the Office of Management and Budget Circular A-76. Sec. 10008. Notwithstanding any other provision of law, with respect to the revised security category (as that term is defined in section 250(c)(4)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985), any sequestration order issued under such Act for fiscal ***year*** 2018 shall have no force or effect. This Act may be cited as the ``Department of Defense Appropriations Act, 2018''. The SPEAKER pro tempore. Pursuant to House Resolution 714, the motion shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations. The gentlewoman from Texas (Ms. Granger) and the gentleman from Indiana (Mr. Visclosky) each will control 30 minutes. The Chair recognizes the gentlewoman from Texas. Ms. GRANGER. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, once again, I stand before you today to ask for your support to pass the fiscal ***year*** 2018 Defense Appropriations bill. It is past time that this essential, must-pass funding bill for our military be enacted into law. Congress must act responsibly and do its job to quickly get these dollars out the door and where they are needed as soon as possible. The legislation before you provides $659 billion for defense, more than $60 billion above last ***year***'s levels. When combined with the almost $5 billion already enacted into law in December, this bill matches the top-line funding level in the final National Defense Authorization Act enacted into law. All Federal dollars are not the same. We need to provide and prioritize national security after ***years*** of neglect and an increasingly dangerous international situation. Nor can we continue to hold our troops hostage as leverage for unrelated issues. We are almost 4 months into fiscal ***year*** 2018, and our troops still don't have their funding. It is time that the Congress fulfill its responsibility to fund our troops at the levels needed. It is time to lift the budget caps and enact a full-***year*** Defense Appropriations Act so that our military can begin to rebuild. This bill does that by lifting the budget caps on defense and fully funding the Department at the top line already approved by the Congress in the National Defense Authorization Act. It takes care of our troops by providing additional manpower and fully funding a 2.4 percent pay raise, and it provides additional funding for key readiness ***programs*** and robustly funds maintenance of equipment and facilities. The bill includes specific investments in several areas, such as air superiority, $4.3 billion above request; shipbuilding, $1.6 billion above request; research and development, $10 billion above 2017; defense health, an additional $644 million for medical research; and grants forces fully equipped. The bill also provides additional resources in a National Defense Restoration Fund in the amount of $28.6 billion to allow Secretary Mattis to begin investing in the new defense strategy now instead of waiting a full ***year***. {time} 1400 This bill gives our military leaders the sufficient, sustainable, and stable funding they have told us, over and over again, that they need. The House has done its job more than once to fund our troops at the levels they need only to have the Senate fail to act. Congress must step up and fulfill its most fundamental constitutional responsibility, which is to ensure that our troops have what they need to defend our Nation. Mr. Speaker, I reserve the balance of my time. Mr. VISCLOSKY. Mr. Speaker, I yield myself such time as I may consume. (Mr. VISCLOSKY asked and was given permission to revise and extend his remarks.) Mr. VISCLOSKY. Mr. Speaker, I first want to start by associating myself with the remarks of my chairwoman and suggest to this body that it is time for Congress to begin to govern and run the day-to-day operation of the Government of the United States in a timely fashion. Mr. Speaker, this is the third iteration of the fiscal ***year*** 2018 Defense Appropriations Act that has been brought to the floor. I, for one, have [[Page H720]] nothing more to say about the merits of this legislation that would not be redundant. However, I do want to reiterate my profound respect for the exceptional work that has been put into this legislation, time and time again, by Chairwoman Granger, all of the members of our subcommittee, and our superlative staff. Today, January 30, 2018, Congress is 122 days late. We are 122 days past the start of the current fiscal ***year*** and 122 days past the time that the legislation we are considering today for the third time should have been completed, conferenced, and signed into law. Mr. Speaker, we have a number problem. As an appropriator, I ask for a number to craft a bill that, by law, does not violate the Budget Control Act. We need a number so that Chairwoman Granger, our subcommittee members, and I can make decisions on how best to move forward so our military leaders are not hindered and forced to comply with the constraints of continuing resolutions. As an appropriator, all I want is a number. Give us a number, and we will finish our work for this fiscal ***year*** and give the certainty that has been repeatedly asked for by the Department of Defense and our 17 intelligence agencies. Unfortunately, operating under the fourth continuing resolution and passing essentially the same Defense Appropriations measure for a third time does nothing--nothing--to solve the number problem, nor does it remedy the slight inconvenience that this bill exceeds the Budget Control Act by $35 billion. Today's legislation does recognize this inconvenience by obviating sequestration. I guess that is what passes as budget control in these days in this Congress. Some may say that we must pass this bill today to support our men and women in uniform. I would respond by saying that today's 60 minutes of theater continues to avoid meaningfully addressing the needs of our troops. If we were serious about that, we would have solved our number problem and allowed the chair and ranking member of the full committee, and the subcommittee chairs and ranking members of all 12 committees, to negotiate a realistic budget figure last summer so that we could have completed our bill last September. That would be helping our troops. I would also add that if we don't agree to an overall domestic discretionary number, then we will continue to disinvest in the true security of this Nation--our people. We need a domestic number so we can make decisions and give direction to all Federal agencies so they can plan on how to best invest in our national economy, jobs, and the health and prosperity of our people. The International Trade Commission needs direction so they can fully enforce our trade laws. Customs and Border Protection needs direction. This government needs timely decisions and certainty. According to the Department of Defense, 71 percent of people aged 17 to 24 ***years*** of age in the United States would fail to qualify for military enlistment because of physical or mental health issues, low educational scores, or major criminal convictions. General Joseph Dunford, the Chairman of the Joint Chiefs of Staff, has testified that the strength of the United States military is a direct reflection of the strength of U.S society. I would propose that improving the strength of our country is not just a robust defense number that I desperately want. We need a robust domestic number that allows for the critical investments necessary for the success of our economy, the creation of jobs, and for the people of this country. Our number problem is solvable. Give us a negotiated budget number so we can stop wasting everybody's time and the money of the American taxpayers. Then we can truly start supporting the strength of our national security, our troops, and our national economy. Mr. Speaker, I reserve the balance of my time. Ms. GRANGER. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. Frelinghuysen), who is the chairman of the full committee. Mr. FRELINGHUYSEN. Mr. Speaker, I thank the chairwoman from Texas for her time and for her leadership on national security and intelligence issues. Indeed, I would like to thank all members of the subcommittee-- Republican and Democrat--and the staff for their hard work to assure defense and intelligence funding and also for their work on a variety of continuing resolutions that relate to the same. Mr. Speaker, I rise, once again, to support this Defense Appropriations bill just as I did in July and again in September. I visited our troops in Iraq twice last ***year*** in addition to official trips to north Africa and Southeast Asia. My goal is always to assess U.S posture in those regions militarily and diplomatically. I can tell you, from those experiences, our Nation's competitive military advantage is badly eroding, and our allies, partners, and adversaries know it. So how have we responded? The reality is: not well enough. In fact, we have pushed our military towards its breaking point. Instead of upgrading our hardware, we have allowed our equipment to age. Instead of arming our troops for tomorrow's fight, we have let them become seriously under-equipped. Instead of rightsizing our Armed Forces, we have reduced their size. Mr. Speaker, we ask a great deal of our men and women in uniform. We ask them to leave their families to complete difficult training. We ask them to move from duty station to duty station without complaint. We ask them to tolerate long deployments far from home. We ask them to carry out dangerous missions in dangerous corners of the world. We ask them to reenlist with their families to preserve the strength of our Armed Forces. Every passing day of reduced military funding levels creates an ever- increasing risk for our men and women on the front lines. We should not ask them to continue to do more with less. This full-***year*** Defense Appropriations bill needs to be enacted now, and may I say the other 11 appropriations bills as well. Mr. VISCLOSKY. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York (Mrs. Lowey), who is the ranking member on the full committee. Mrs. LOWEY. Mr. Speaker, first, I would like to say a few words about the retirement of my chairman, Rodney Frelinghuysen. Chairman Frelinghuysen has carried out his responsibilities with fairness and earnestness, and it has been such a pleasure to serve as ranking member during his chairmanship. I look forward, however, to working together for the remainder of this ***year*** on our shared goal: bipartisan and responsible full-***year*** funding for all discretionary investments. Today, we are considering the FY 2018 Defense Appropriations bill for the third time, a time-wasting consequence of an agreement between the Speaker and rightwing Republicans--the third time. Last week, Republican leadership kicked the can down the road and passed yet another continuing resolution delaying investments in our military, education, infrastructure, biomedical research, and so much more. Yet again, the bill before us removes Congresswoman Barbara Lee's amendment to debate a new Authorization for Use of Military Force which received bipartisan support in the Appropriations Committee markup. This undemocratic maneuver, which the majority has repeated once again, is outrageous. In addition to the many procedural inequities, the majority's effort to increase defense spending is a mirage because the bill would turn off sequestration for defense in FY18, allowing Republicans to violate the spirit of our budget laws and increase defense spending while ignoring other investments that grow our economy, create jobs, and further provide for our security. This is hardly about fiscal responsibility. If it were, the majority would eliminate the seven slush funds in this bill that equals $28.6 billion for a department that would receive far more than it requested. Four months into the fiscal ***year***, the Federal Government is irresponsibly operating on the fourth continuing resolution. We do not have an agreement on top-line spending numbers, let alone an omnibus spending package ready when the current CR runs out next week on February 8. So, my friends, [[Page H721]] this is not the time to pat ourselves on the back for a job well done. On the contrary, we should be settling down and working together to pass spending bills for FY18. If the majority were serious about funding our military, then they would move forward toward a full-***year***, bipartisan omnibus that could pass both Chambers. Instead, they continue to show their inability to govern by leading us down a path that will require another CR that is detrimental to our men and women in uniform. Mr. Speaker, I urge my colleagues to oppose this bill. Ms. GRANGER. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. Rogers), who is the chairman of the State, Foreign Operations, and Related ***Programs*** Subcommittee. Mr. ROGERS of Kentucky. Mr. Speaker, I thank the gentlewoman for yielding time. Mr. Speaker, I rise today in support of this fiscal ***year*** 2018 DOD Appropriations bill. Although I am proud to support this critical legislation, I will say that I am disappointed to be here, yet again, speaking in support of the DOD Appropriations bill as we, again, seek its passage in the House. Despite Chairman Frelinghuysen's Herculean efforts to complete all 12 bills on time and passing several packages that included the Defense bill, the Senate refuses to act. We recently saw the effects of this when the government shutdown put great stress on the backs of our servicemembers and their families. Mr. Speaker, it is time that we push aside partisanship and do what is right for the country and for our national security by passing this bill. While it certainly represents the outcome of many hard choices, it prioritizes funding where our troops need it most. It wisely invests in readiness, training, maintenance, and procurement of new equipment and technology to ensure that our troops are prepared for the tasks before them. I am pleased that this bill takes care of our troops and their families at home by granting them a long-awaited 2.4 percent pay raise. Our Nation has been at war for nearly two decades, and our servicemembers have put their lives on the line to ensure that we can live our way of life. This raise represents just one small way for us to honor their service. Mr. Speaker, they say that the third time is the charm, and I hope this holds true here. After the House passes the bill, I urge the Senate to do so as well so that the President can sign this bill into law. According to the Constitution, it is the Congress' responsibility to provide for our common defense. This bill does just that. Mr. Speaker, I urge my colleagues to vote ``yes.'' Mr. VISCLOSKY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Minnesota (Ms. McCollum), who is the ranking member on the Interior, Environment, and Related Agencies Subcommittee and a member of the Defense Subcommittee. {time} 1415 Ms. McCOLLUM. Mr. Speaker, here we are again. For 4 months, the Federal Government has been operating under a series of short-term continuing resolutions. And as we approach yet another deadline to fund the government next week, the Republican majority is spending time on the floor today voting a third time on a Defense Appropriations bill that they know will not pass in the Senate. The most basic, fundamental responsibility of Congress is to provide adequate and timely funding for the entire Federal Government, both our national defense and our domestic priorities, for a full fiscal ***year***. The fact that this bill is on the floor for a third time highlights the absolute failure of the Republican majority to advance a responsible budget process. Mr. Speaker, voting on the same bill three times is the very definition of playing political games. The American people deserve better than this continuing Republican chaos. Democrats and Republicans agree. We agree that defense spending is vitally important, but so is funding education, transportation, healthcare, and all the other Federal ***programs*** that all Americans and our military--their families, included--depend upon. If anyone doubts the harmful impacts of the endless stopgap spending bills, perhaps they should listen to our Secretary of Defense: ``For too long, we have asked our military to stoically carry a `success at any cost' attitude as they work tirelessly to accomplish the mission with now inadequate and misaligned resources, simply because the Congress could not maintain regular order.'' If Republicans are serious about supporting our military, they should heed the Secretary's warning and work with Democrats on a bipartisan budget agreement to fund the entire government for the rest of the ***year***. I have been ready. Democrats have been ready for months to work across the aisle to advance this process. It is long past time that Republicans join us. Ms. GRANGER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Calvert), the chair of the Subcommittee on Interior, Environment, and Related Agencies. Mr. CALVERT. Mr. Speaker, I rise in strong support of this measure to fund the Department of Defense for fiscal ***year*** 2018. Today marks the 122nd day that our military has gone without funding for FY 2018. Like the rest of the Federal Government, it has been forced to operate under a CR for the past 4 months. Secretary of Defense James Mattis explained the impacts of operating under a CR, particularly those related to readiness and maintenance. They include a scaled-back training exercise across the services, the delayed introduction of 11 ships by the United States Navy, the postponement of all noncritical maintenance work orders by the Army, the curtailment of hiring and recruitment, rising acquisition costs from severed contracts, and renegotiated terms due to the CR. A CR means no new starts, and impacts to current readiness and future plans are disastrous. This must stop. Today's passage of this bill marks, as was pointed out, the third time we have passed the FY 2018 Defense Appropriations bill in some form. Let's hope the third time is the charm. I commend Chairman Frelinghuysen and Chairwoman Granger on their tireless persistence and relentless determination on behalf of the U.S servicemembers. The bill provides robust funding for shipbuilding, aviation, combat vehicles, and more. It invests in our greatest assets, the men and women who wear the uniform, through increased funds for training, equipment, and the best healthcare. I urge my colleagues to support this bill. I implore the Senate to act. Mr. VISCLOSKY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. Kaptur), the ranking member on the Subcommittee on Energy and Water Development, and Related Agencies, and also a member of the Subcommittee on Defense. Ms. KAPTUR. Mr. Speaker, Groundhog Day isn't until Friday, but here we are again, voting for the third time in 7 months on a Defense bill that will go in the hole--nowhere. We are 9 days out from the threat of another shutdown and 4 months into the fiscal ***year*** of 2018, which started last October 1, yet we still have no budget framework from our Republican friends and their so-called leadership, nothing to direct appropriators on what numbers from which to negotiate funding for the entirety of the government--not just Defense, not just this account. Instead, Republican leadership wastes important, precious time to debate a bill that has already passed this Chamber twice before. Meanwhile, our Republican colleagues force the entire government to run on autopilot for over a third of the fiscal ***year*** and trumpet their claim that only they prioritize the military. How can anyone take this seriously? Republicans have provided no overall roadmap of a funding strategy for the Federal Government. They failed to agree within their own caucus on funding priorities, leaving them incapable to even begin to negotiate with Democrats. As a result, law dictates a defense funding level of $549 billion. That is a lot of money. Half a trillion. But here we are debating, for the third time, an astounding $659 billion for defense. That is $110 billion more. Hmm. [[Page H722]] We can all agree that funding defense is a priority, but so are pensions, community health centers, Federal workforce training, the opioid crisis, keeping our waters clean, domestic security. Well, the list goes on, and each deserves attention. Why are we voting again on a lopsided bill that blows up budget caps when there are so many other bipartisan priorities? This is a partisan sideshow that attempts to mask Republican Party dysfunction. This is not leadership. The SPEAKER pro tempore. The time of the gentlewoman has expired. Mr. VISCLOSKY. Mr. Speaker, I yield the gentlewoman from Ohio an additional 30 seconds. Ms. KAPTUR. Mr. Speaker, I urge my colleagues to once again oppose this partisan talking point and demand action on an agreement to fund the entire government for the remaining part of this fiscal ***year***. We have little more than a week to secure a plan for the remainder of 2018, but it may be a road too far if Republicans don't come to the table to talk among themselves seriously and then be willing to negotiate with this side of the aisle. Ms. GRANGER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Carter), chairman of the Homeland Security Subcommittee. Mr. CARTER of Texas. Mr. Speaker, I rise in support of this Defense Appropriations bill which will provide full-***year*** funding for the Defense Department so they can continue to effectively defend our country from an ever-expanding threat which exists in the world today. This bill ends uncertainty and ineffectiveness of a continuing resolution, allows the DOD to plan and execute on the things they need to do today, not last ***year***. Our military needs to modernize to face new threats it will face in this world, and they can't do that with a CR. This bill also lifts sequestration caps which have, to paraphrase Secretary Mattis, caused more harm to our military than any enemy. Lifting these caps for FY18 is essential towards improving the readiness of our force. The world is changing rapidly and so is the nature and threat to our military forces and what they face day and night. We owe it to our servicemen and -women to give them the resources to modernize their capabilities so that they can best face this threat. Mr. Speaker, our military is the greatest natural resource in the country. I am reminded of this every time I visit The Great Place, Fort Hood, in my district. The troops at Fort Hood are currently leading the fight against ISIS and will benefit from this bill, and we owe it to them. We sleep every night under the blanket of freedom they provide through their sacrifice. I am proud to support them and hopeful that we will pass this bill so we can give them what they need right now so they won't face the uncertainty of endless sequestration and CRs. I support this bill and encourage my colleagues to support it. And it is a current event. Last night, as I flew into Washington, D.C , we carried the remains of an American warrior. It is a current event. We are all responsible for it. We need to get this job done. Mr. VISCLOSKY. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. Lee), my friend and a senior member of the Appropriations Committee. Ms. LEE. Mr. Speaker, let me thank the gentleman for yielding me time and for his tremendous leadership as our ranking member on the Defense Subcommittee of the Appropriations Committee. Mr. Speaker, I rise in opposition once again to this bill. I think the House has taken it up now for a third time this ***year***. Let me just start by saying I grew up in a military family. I am a military brat. My dad fought in World War II and in the Korean War. He was stationed, among his posts, at Fort Bliss, Texas. And I want to say that supporting our troops, making sure that they have everything they need, is extremely important. And opposing this budget, for me, of course, does not reflect my support for our troops. But I just have to tell you, this bill appropriates the $664 billion in defense spending for this already out-of-control Pentagon budget. It also includes more than $75 billion for wars that Congress has never debated or voted on. And what is worse, this bill includes $1.2 billion in overseas contingency operations to increase troop levels in Afghanistan by 3,500 troops. This is really outrageous, and this fund should really be eliminated. Now, the Pentagon has failed to achieve the requirement to audit itself by 2017, and we know that billions of dollars have been found in waste, fraud, and abuse. That is unacceptable. Instead of writing blank checks--which is what I think this bill does, another blank check to the Pentagon--Congress needs to live up to its constitutional obligation to complete an audit, first of all, to determine how to make sure we have a rational defense budget that protects our national security and supports our troops, not to provide excess contracts that lead to waste, fraud, and abuse. We also need to debate matters of war and peace. So we need to pass my amendment, which I tried to do, quite frankly, last ***year*** in this very bill, that would sunset the 2001 AUMF, and it would give us 8 months--not immediately, but 8 months--to debate and vote on a new one before it would be enacted. It took 3 days to enact the last one. That is what the debate was. I am asking for 8 months. This important amendment would provide Congress plenty of time to do our job and finally have a debate on matters of war and peace. However, even though my amendment passed the Appropriations Committee in a bipartisan fashion, Republicans unilaterally decided to strip this amendment from the bill, really, I have to say, in the dead of night. The SPEAKER pro tempore. The time of the gentlewoman has expired. Mr. VISCLOSKY. Mr. Speaker, I yield the gentlewoman from California an additional 1 minute. Ms. LEE. Mr. Speaker, this was very undemocratic and underhanded, and it makes me wonder: What is the Speaker afraid of? So I asked for my amendment to be debated and voted on on the House floor, and again Republican leadership refused--really a shame. Our brave troops deserve us to come together and do this so that they know that their country has their back. I voted against the 2001 authorization because I believe it opened the door for any President to wage endless war without a congressional debate or vote. Quite frankly, unfortunately, history has borne that out. According to the Congressional Research Service report, the 2001 AUMF has been used more than 37 times in 14 countries to justify military action. This report examines only unclassified incidents, and it was conducted 3 ***years*** ago. So how many other operations have been conducted without the knowledge of Congress or the American people? These authorizations have also been used to justify perpetual wars that are thousands of miles away. I will conclude by saying that now any President--any President--can unilaterally wage war under this outdated authorization forever, really, until it is repealed. Now we have an administration bent on increasing our presence in Afghanistan and never leaving Syria, both wars that the American public know nothing about. Mr. Speaker, I urge a ``no'' vote on this bill, and reject this wasteful spending. Ms. GRANGER. I yield 2 minutes to the gentleman from Alabama (Mr. Aderholt), chairman of the ***Agriculture***, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. {time} 1430 Mr. ADERHOLT. Mr. Speaker, I rise today to urge my colleagues to support this Defense Appropriations bill. It has been noted here already: a total of $659 billion for full-***year*** funding for the Department of Defense, including $584 billion for base funding and $75.1 billion for overseas contingency operations. It also fully funds a 2.4 percent pay raise and supports an increase in troop numbers. When you add the $4.7 billion in emergency missile defense and other funds requested by the President in November, funding for this DOD appropriations totals $664 billion--fully consistent with the NDAA for FY 2018. [[Page H723]] The House passed nearly identical legislation last ***year*** back in July, and then again in September. Despite the best efforts in the House, here we are again. We are doing this legislation again--the other body has failed--and we are operating on the fourth continuing resolution for FY 2018. That is the 30th CR--or continuing resolution--that Congress has passed since January of 2011. The House passed each of the 12 appropriations bills and their individual subcommittees and each of the 12 appropriations bills in full committee markup, and each bill has seen the light of day on the House floor. The other body, Mr. Speaker, is a different story. Not one single appropriations bill has seen the light of day on the Senate floor. No progress has been made on any individual appropriations bills because that body can't seem to get them on the ***calendar***. Part of that has been the demand of every administration nominee be discussed for a full 30 hours--something that this Congress never did under President Obama. If going to a 51-vote process for appropriations bills is the only way to break this logjam, then such a decision should be made. I am on record for that idea, as are many Senators as well. Mr. Speaker, we find ourselves in this situation once again. The real question is: Will the other body do theirs? Mr. VISCLOSKY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Ms. Wasserman Schultz), the ranking member on the Military Construction, Veterans Affairs, and Related Agencies Subcommittee. Ms. WASSERMAN SCHULTZ. Mr. Speaker, I thank the gentleman for yielding and for his leadership--particularly, his responsible leadership--as the ranking member of the Defense Appropriations Subcommittee. Mr. Speaker, I rise in strong opposition to the political gambit that the Republican leadership is pulling today. Virtually identical versions of the Defense Appropriations bill we are considering have already passed the House twice. The Republican majority is so bankrupt of ideas that they are now going around in circles playing political games. As a member of the Appropriations Committee, I strongly support moving appropriations bills through the committee and to the floor through regular order. I applaud all of my committee colleagues on both sides of the aisle for working in good faith on all 12 appropriations bills. But the appropriations process has been hijacked by Republican leadership and the rightwing ideologues who now run the House. Regardless of the outcome of today's vote, all appropriations bills will remain stuck in the swamp that is this Republican Congress. The reason for this holdup is that Republican so-called leaders have refused to work across the aisle toward an agreement on a budget that would prevent the gutting of investments in vital national priorities: from education to infrastructure, from healthcare to housing, from diplomacy to defense. We need to provide our military with the resources they need. There is no question about that. Instead, the Republican majority is using the brave servicemen and -women who defend our Nation as pawns in a partisan crusade that would undermine the nation our troops are defending. The stated Republican rationale for their intransigence is that they are concerned about the deficit, yet these are the same Republicans who voted to explode the deficit by more than $1.5 trillion in order to give a huge tax cut to big corporations and the top 1 percent. As each day passes, it becomes more and more clear that the priorities of the Republican majority are backward and immoral. Instead of expanding access to affordable healthcare, Republicans tried to repeal the Affordable Care Act and leave millions uninsured. Instead of investing in the middle class, Republicans gave a huge tax giveaway to those who have turned their backs on the middle class. Instead of building on bipartisan efforts to advance reasonable reforms to our immigration system, Republicans are trying to tear apart families and close the door on aspiring Americans. Instead of responsibly funding national priorities, Republicans are playing political games to distract from their failure to govern. Instead of investing in all of our people, Republicans are pitting us against each other to deflect the blame from where it belongs--with the party who controls both Houses of Congress and the White House. This is no way to keep the state of our union safe. This is no way to keep the state of our union strong. Mr. Speaker, I urge my colleagues to oppose this political charade. Let's work together to invest in all of our national priorities and make the state of our union more perfect. Ms. GRANGER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. Thornberry), the chairman of the House Armed Services Committee. Mr. THORNBERRY. Mr. Speaker, I thank the gentlewoman for yielding. I appreciate her strong, persistent leadership on behalf of our troops and our Nation. Mr. Speaker, in the days leading up to the most recent government shutdown, we heard a number of Members of both bodies, on the floor and in the press, say that they were opposed to that continuing resolution because of the damage that continuing resolutions do to the military. It is absolutely true that continuing resolutions do erode our fighting capability. This is the chance--the bill that the gentlewoman from Texas has brought--this is the chance to do it right. This is the chance to fully fund the military for the rest of the fiscal ***year*** and get them out of the CR mess. So all of those Members who came here to the well and have talked to the press and in the other body, who expressed concern about the damage that a CR does, this is the chance to fix that problem by voting for the bill that is before us today. Mr. Speaker, it is another opportunity to remove our troops from the partisan political morass that has seemed to bind them. We just heard in the previous speech everything from healthcare, taxes, funding for housing, the full panoply of issues. Some Members have used all of their desire to get an outcome they want on those other issues as an excuse for not funding our military. More recently, we have heard Members who say: Yes, I know the military needs to be funded, they need more money, but I can't support it until we have the outcome I want on an immigration issue. So from taxes and healthcare and immigration, it is all an excuse to not fund the military, to keep them hostage, until those other issues are resolved the way that Members want them to be. Mr. Speaker, I just think that is wrong. We need to set our military free of all of the other issues. I may well agree on finding a reasonable solution to the DACA issue. I may well agree on more funding for a number of domestic spending ***programs***. But none of them, however important they may be, should be an excuse for failing to support the military so that when they go out and perform the missions our country asks them to perform, they are fully trained, fully supported, and equipped with the best that this country can offer. Mr. Speaker, I think it is important for all of us, whatever committee we serve on, to remember that the men and women who are out there risking their lives for us, do so unconditionally, whether it is in the mountains of Afghanistan, near the DMZ of Korea, whether they are doing exercises in Eastern Europe or the Middle East, they perform their service unconditionally. Our support for them should be unconditional, too. Mr. VISCLOSKY. Mr. Speaker, I reserve the balance of my time. Ms. GRANGER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Rothfus). Mr. ROTHFUS. Mr. Speaker, I rise in support of this bill. I have said it before and I will say it again: Last summer, the House passed all 12 appropriations bills before the 2018 fiscal ***year*** started on October 1. In those bills, we appropriated the funds necessary to equip our servicemembers with the resources they need to defend this country in the face of threats from North Korea, China, Russia, al-Qaida, [[Page H724]] ISIS, Iran, and cyber threats, just to name a few. Yet our servicemembers have been routinely denied access to these resources as Senate Democrats have been holding back the full funding of our armed services. In doing so, they ask our servicemembers to go into battle with aging equipment and insufficient resources, risking their lives to defend America. Just 10 days ago, we had another helicopter accident and we lost two pilots who were in an Apache. Our men and women in uniform haven't even had a modest pay raise in a very long time. It is time to deliver on this commitment. Mr. Speaker, we have the opportunity at times to visit our troops overseas. I had the opportunity at the end of last ***year*** to look into the young faces of our men and women over there. They are expecting us to do this. I would like to remind my colleagues across the aisle that our adversaries are on the move. Russia and China are expansionists now. North Korea and Iran fire off ballistic missiles at our allies, destabilizing those regions. There is no doubt that our inaction only emboldens them. Mr. Speaker, we must rebuild our military before it is too late. The choice is easy: we either deter our enemies through superior strength, or we risk greater conflict by demonstrating weakness. Let me be clear: what we spend on our defenses should not be a function of any other ***program***. It should be a function of the threats our Nation faces and what we owe our servicemembers in the field. Mr. Speaker, I implore my colleagues across the aisle to fund our military today. Mr. VISCLOSKY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I would simply close at the point where I began and ask the Members of this institution at large--the United States Congress, both Houses--to please give the Appropriations Committees numbers for defense and discretionary spending so that under the leadership of Chairman Frelinghuysen and Mrs. Lowey, in this case under Chairwoman Granger, myself, and the other 11 subcommittees, we can finish our work. It is less than 2 weeks before we will begin fiscal ***year*** 2019. I would ask my colleagues to please give us those numbers so that we can do our work effectively. Mr. Speaker, I yield back the balance of my time. Ms. GRANGER. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, as we conclude our remarks and, again, call for a vote on this very important bill, I want to express my respect and appreciation for the help of Ranking Member Visclosky, and certainly for the leadership of Appropriations Chairman Rodney Frelinghuysen. I have been fortunate to follow the chairman, as chair of Defense Appropriations, and I speak for all who serve on his committee, who look to him for leadership and respect him for his service. He is an extraordinary public servant and a model for us all, and we thank him. Mr. Speaker, the time is long past for Congress to fulfill their duty. I urge all Members to support this bill, and I yield back the balance of my time. The SPEAKER pro tempore. All time for debate has expired. Pursuant to House Resolution 714, the previous question is ordered. The question is on the motion by the gentlewoman from Texas (Ms. Granger). The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it. Ms. GRANGER. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered. The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15- minute vote on adoption of the motion will be followed by a 5-minute vote on: Suspending the rules and passing H.R 4292. The vote was taken by electronic device, and there were--yeas 250, nays 166, not voting 14, as follows: [Roll No. 49] YEAS--250 Abraham Aderholt Allen Amodei Arrington Babin Bacon Banks (IN) Barletta Barr Barton Bera Bergman Biggs Bilirakis Bishop (GA) Bishop (MI) Bishop (UT) Black Blum Bost Brady (TX) Brat Bridenstine Brooks (AL) Brooks (IN) Brownley (CA) Buchanan Buck Bucshon Budd Burgess Bustos Byrne Calvert Carbajal Carter (GA) Carter (TX) Chabot Cheney Coffman Cole Collins (GA) Collins (NY) Comer Comstock Conaway Cook Cooper Costello (PA) Cramer Crawford Culberson Curbelo (FL) Curtis Davidson Davis, Rodney Denham Dent DeSantis DesJarlais Diaz-Balart Donovan Duffy Duncan (SC) Dunn Emmer Estes (KS) Farenthold Faso Ferguson Fitzpatrick Fleischmann Flores Fortenberry Foxx Frelinghuysen Gabbard Gaetz Gallagher Garamendi Garrett Gianforte Gibbs Gohmert Goodlatte Gosar Gottheimer Gowdy Granger Graves (GA) Graves (LA) Graves (MO) Griffith Grothman Guthrie Handel Harper Harris Hartzler Hensarling Herrera Beutler Hice, Jody B. Higgins (LA) Hill Holding Hollingsworth Hudson Huizenga Hultgren Hunter Hurd Jenkins (KS) Jenkins (WV) Johnson (LA) Johnson (OH) Johnson, Sam Jordan Joyce (OH) Katko Kelly (MS) Kelly (PA) King (IA) King (NY) Kinzinger Knight Kuster (NH) Kustoff (TN) Labrador LaHood LaMalfa Lamborn Lance Latta Lewis (MN) LoBiondo Loebsack Long Loudermilk Love Lucas Lujan Grisham, M. MacArthur Maloney, Sean Marchant Marino Marshall Mast McCarthy McCaul McHenry McKinley McMorris Rodgers McSally Meadows Meehan Messer Mitchell Moolenaar Mooney (WV) Mullin Murphy (FL) Newhouse Noem Norman Nunes O'Halleran O'Rourke Olson Palazzo Palmer Paulsen Pearce Perry Peters Peterson Pittenger Poliquin Posey Ratcliffe Reed Reichert Renacci Rice (SC) Roby Roe (TN) Rogers (AL) Rogers (KY) Rohrabacher Rokita Rooney, Francis Rooney, Thomas J. Ros-Lehtinen Rosen Roskam Ross Rothfus Rouzer Royce (CA) Ruiz Russell Rutherford Scalise Schneider Schweikert Scott, Austin Sensenbrenner Sessions Shimkus Shuster Simpson Sinema Smith (MO) Smith (NE) Smith (NJ) Smith (TX) Smucker Stefanik Stewart Stivers Taylor Tenney Thompson (PA) Thornberry Tipton Trott Turner Upton Valadao Veasey Wagner Walberg Walden Walker Walorski Walters, Mimi Weber (TX) Webster (FL) Wenstrup Westerman Williams Wilson (SC) Wittman Womack Woodall Yoder Yoho Young (AK) Young (IA) Zeldin NAYS--166 Adams Aguilar Amash Barragan Bass Beatty Beyer Bonamici Boyle, Brendan F. Brady (PA) Brown (MD) Butterfield Capuano Carson (IN) Cartwright Castor (FL) Castro (TX) Chu, Judy Cicilline Clark (MA) Clarke (NY) Clay Cleaver Clyburn Cohen Connolly Correa Costa Crist Crowley Cuellar Davis (CA) Davis, Danny DeFazio DeGette Delaney DeLauro DelBene Demings DeSaulnier Deutch Dingell Doggett Doyle, Michael F. Duncan (TN) Ellison Engel Eshoo Espaillat Esty (CT) Evans Foster Frankel (FL) Fudge Gallego Gomez Gonzalez (TX) Green, Al Green, Gene Grijalva Gutierrez Hanabusa Hastings Heck Higgins (NY) Himes Hoyer Huffman Jackson Lee Jayapal Jeffries Johnson (GA) Kaptur Keating Kelly (IL) Khanna Kihuen Kildee Kilmer Kind Krishnamoorthi Langevin Larsen (WA) Larson (CT) Lawrence Lawson (FL) Lee Levin Lewis (GA) Lieu, Ted Lipinski Lofgren Lowenthal Lowey Lujan, Ben Ray Lynch Maloney, Carolyn B. Massie Matsui McCollum McEachin McGovern McNerney Meeks Meng Moore Moulton Nadler Napolitano Neal Nolan Norcross Pallone Panetta Pascrell Payne Pelosi Perlmutter Pingree Pocan Polis Price (NC) Quigley Raskin Rice (NY) Richmond Roybal-Allard Ruppersberger Rush Ryan (OH) Sanchez Sanford Sarbanes Schakowsky Schiff Schrader Scott (VA) Scott, David Serrano Sewell (AL) Shea-Porter Sherman Sires Slaughter Smith (WA) Soto Speier Suozzi Swalwell (CA) Takano Thompson (CA) Thompson (MS) Titus Tonko Torres Tsongas Vargas Vela Velazquez Visclosky Walz Wasserman Schultz Waters, Maxine Watson Coleman Welch Yarmuth NOT VOTING--14 Blackburn Blumenauer Blunt Rochester Cardenas Courtney Cummings Issa Johnson, E. B. Jones Kennedy Luetkemeyer McClintock Poe (TX) Wilson (FL) [[Page H725]] {time} 1511 Messrs. CARSON of Indiana and CRIST changed their vote from ``yea'' to ``nay.'' Messrs. LUCAS, JORDAN, COFFMAN, and CARBAJAL changed their vote from ``nay'' to ``yea.'' So the motion to concur was agreed to. The result of the vote was announced as above recorded. A motion to reconsider was laid on the table. Stated for: Mr. POE of Texas. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted ``yea'' on rollcall No. 49

**Load-Date:** February 1, 2018

**End of Document**



[***Register of Commission documents:Written answer : Olive oil production Document date: 2017-12-20 P8\_RE(2017)006459 Answers to written questions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R95-V3G1-JDG9-Y3CJ-00000-00&context=1516831)

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December 29, 2017 Friday

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**Length:** 455 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN E-006459/2017 Answer given by Mr Hogan on behalf of the Commission (20.12.2017) Under the Common ***Agricultural*** Policy (CAP), a number of measures are available to support the olive sector and young farmers: As regards support for the olive oil and table olives sector co-financed by the European Union and in the context of three-***year*** work ***programmes***, Greek, Italian and French producer organisations, associations of producer organisations and inter-branch organisations may include in their ***programmes*** measures aiming to improve the environmental impact of olive cultivation, the competitiveness of olive cultivation through modernisation and/or the production quality of olive oil and table olives1. The European ***Agricultural*** Fund for Rural Development (EAFRD2) provides support for a number of activities contributing to the sustainable development of resources, enhancing farm resilience, including in the case of olive oil producers, their ability to adapt to climate change and to foster balanced territorial development. In general, young farmers have access to tools available under both pillars. With regard to pillar one under the Basic ***Payment*** Scheme (BPS), young farmers and/or farmers commencing their ***agricultural*** activities can receive an annual top-up (Young Farmer ***Payment***) for a maximum period of 5 ***years***.

They can also have priority access to allocations from the national/regional reserve. The Greek Rural Development ***Programme*** 2014-2020, co-financed by the EAFRD, provides setting up support for young farmers, which may be combined with other measures, for example knowledge ***transfer***, or investments in physical assets3. 1 See, in particular, Article 3(1) of Commission Implementing Regulation (EU) No 611/2014 of 11 March 2014 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the support ***programmes*** for the olive-oil and table-olives sector (OJ L 168, 7.6.2014, p. 55). 2 Regulation (EU) N° 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005, OJ L 347, 20.12.2013, p. 487–548 3 For more information on specific measures of the Greek Rural Development ***Programme*** for 2014-2020, the Honourable Member is advised to contact directly the Managing Authority of the Greek Rural Development ***Programme***: L. Athinon 58, 10441, Athens Tel:+30 210 5275203-4, +30 210 5218102-3, +30 210 5275100 FAX:+30210-5275124 e-mail: [*agrotikianaptixi@mou.gr*](mailto:agrotikianaptixi@mou.gr) Website: [*http://www.agrotikianaptixi.gr/index.php?obj=4c1776c316a3cccb*](http://www.agrotikianaptixi.gr/index.php?obj=4c1776c316a3cccb)

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**End of Document**



[***Council of the European Union: Proposal for transfer of appropriations No DEC 34/2017 within Section III - Commission - of the general budget for 2017 ST 5043 2018 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RC9-CTX1-F0YC-N2T6-00000-00&context=1516831)

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January 8, 2018 Monday

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5043/18 LJP/kg DG G 2A EN Council of the European Union Brussels, 5 January 2018 (OR. en) 5043/18 FIN 10 COVER NOTE From: Mr Günther OETTINGER, Member of the European Commission date of receipt: 4 January 2018 To: Mr Märt KIVINE, President of the Council of the European Union Subject: Proposal for ***transfer*** of appropriations No DEC 34/2017 within Section III - Commission - of the general budget for 2017 Delegations will find attached Commission document DEC 34/2017. Encl.: DEC 34/2017 EN 1 EN EUROPEAN COMMISSION BRUSSELS, 04/01/2018 GENERAL BUDGET - 2017 SECTION III - COMMISSION TITLES: 01, 04, 05, 06, 07, 09, 11, 12, 13, 16, 17, 18, 19, 20, 21, 23, 26, 33, 34 ***TRANSFER*** OF APPROPRIATIONS N° DEC 34/2017 INTRODUCTION The so-called 'End-of-***year*** ***Transfer***' is intended to ensure that, insofar as possible, the outstanding invoices related to funds in shared management can be honoured, by making full use of available ***payment*** appropriations. The rules governing this ***transfer*** are set out in Article 179(2) and 179(3) of the Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the European Union1. The 'End of ***Year*** ***Transfer***' for the 2017 exercise relates to ***payment*** appropriations amounting to EUR 567,7 million in total, which takes into account the actual implementation of expenditure in mid-December 2017. Of this amount, the major redeployments of appropriations (total EUR 340,6 million) are listed below: • EUR 150,0 million relate to delays in the ***payment*** claims received from the Member States concerning the Fund for European Aid to the Most deprived (FEAD); • EUR 85,6 million are returned from the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice ('eu-LISA'), as they will not be needed in 2017; • EUR 105,0 million foreseen for the EU Trust Fund for stability and addressing root causes of irregular migration and displaced people in Africa are only needed in 2018 because late contributions from Member States arriving after the adoption of Amending Budget 6 cover the remaining needs for 2017. The amount to be ***transferred*** from other budget lines accounts for EUR 227,1 million.

This amount is drawn from 58 budget lines, of which 26 concern amounts of EUR 1,0 million or less. The detailed justifications for each budget line are set out in the annex. The reductions concern the following headings: • Heading 1a: Competitiveness for growth and jobs EUR 31,9 million • Heading 1b: Economic, social and territorial cohesion EUR 150,8 million • Heading 2: Sustainable growth: Natural resources EUR 32,3 million • Heading 3: Security and Citizenship EUR 156,6 million • Heading 4: Global Europe EUR 195,4 million • Heading 5: Administration EUR 0,5 million The EUR 567,7 million reinforcement will cover outstanding needs for Rural Development ***programmes*** of the period 2014-2020 (budget line 05 04 60 01). This ***transfer*** will allow outstanding claims to be covered, and reimburse Member States for ***payments*** already undertaken in shared management. 1 OJ L 298, 26.10.2012 EN 2 EN GENERAL BUDGET - 2017 SECTION III - COMMISSION TITLES: 01, 04, 05, 06, 07, 09, 11, 12, 13, 16, 17, 18, 19, 20, 21, 23, 26, 33, 34 ***TRANSFER*** OF APPROPRIATIONS N° DEC 34/2017 FROM CHAPTER - 0102 Economic and monetary union ARTICLE - 01 02 01 Coordination and surveillance of, and communication on, the economic and monetary union, including the euro ***Payments*** -1 550 000,00 CHAPTER - 0103 International economic and financial affairs ARTICLE - 01 03 02 Macro-financial assistance ***Payments*** -10 000 000,00 CHAPTER - 0403 Employment, Social Affairs and Inclusion ITEM - 04 03 02 03 Microfinance and Social Entrepreneurship -- Increasing access to, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises ***Payments*** -6 500 000,00 CHAPTER - 0405 Instrument for Pre-Accession Assistance -- Employment, Social Policies and Human Resources Development ARTICLE - 04 05 51 Completion of actions (prior to 2014) -- Instrument for Pre-Accession Assistance -- Human resources development ***Payments*** -1 253 148,80 CHAPTER - 0406 Fund for European Aid to the Most Deprived ARTICLE - 04 06 01 Promoting social cohesion and alleviating the worst forms of poverty in the Union ***Payments*** -150 000 000,00 CHAPTER - 0502 Improving the competitiveness of the ***agricultural*** sector through interventions in ***agricultural*** markets ITEM - 05 02 10 02 Promotion measures -- Direct ***payments*** by the Union ***Payments*** -1 724 000,00 CHAPTER - 0506 International aspects of the `***Agriculture*** and rural development` policy area ARTICLE - 05 06 02 International ***agricultural*** organisations ***Payments*** -112 000,00 CHAPTER - 0508 Policy strategy and coordination of the `***Agriculture*** and rural development` policy area ARTICLE - 05 08 03 Restructuring of systems for ***agricultural*** surveys ***Payments*** -442 000,00 ITEM - 05 08 77 12 Pilot project -- Social eco-village ***Payments*** -120 000,00 ITEM - 05 08 77 13 Pilot project -- Improving crisis prevention and management criteria and strategies in the ***agricultural*** sector ***Payments*** -44 390,66 CHAPTER - 0602 European transport policy ITEM - 06 02 03 01 European Maritime Safety Agency ***Payments*** -4 624 000,00 ARTICLE - 06 02 05 Support activities to the European transport policy and passenger rights including communication activities ***Payments*** -529 789,33 EN 3 EN CHAPTER - 0603 Horizon 2020 -- Research and innovation related to transport ITEM - 06 03 03 01 Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system ***Payments*** -1 700 000,00 CHAPTER - 0702 Environmental policy at Union and international level ARTICLE - 07 02 01 Contributing to a greener and more resource-efficient economy and to the development and implementation of Union environmental policy and legislation ***Payments*** -2 800 000,00 ARTICLE - 07 02 03 Supporting better environmental governance and information at all levels ***Payments*** -1 400 000,00 ARTICLE - 07 02 04 Contribution to multilateral and international environment agreements ***Payments*** -229 129,13 ARTICLE - 07 02 51 Completion of previous environmental ***programmes*** ***Payments*** -800 000,00 CHAPTER - 0902 Digital single market ARTICLE - 09 02 01 Definition and implementation of the Union's policy in the field of electronic communications ***Payments*** -934 046,03 CHAPTER - 0903 Connecting Europe Facility (CEF) -- Telecommunications networks ARTICLE - 09 03 02 Creating an environment more conducive to private investment for telecommunications infrastructure projects -- CEF broadband ***Payments*** -9 000 000,00 ARTICLE - 09 03 03 Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level ***Payments*** -3 221 629,83 ARTICLE - 09 03 04 WiFi4EU -- Support the deployment of free local wifi ***Payments*** -454 290,00 CHAPTER - 1106 European Maritime and Fisheries Fund (EMFF) ARTICLE - 11 06 12 Completion of European Fisheries Fund (EFF) -- Convergence objective (2007 to 2013) ***Payments*** -184 522,87 ARTICLE - 11 06 13 Completion of European Fisheries Fund (EFF) -- Outside convergence objective (2007 to 2013) ***Payments*** -1 559 024,18 ARTICLE - 11 06 60 Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the common fisheries policy ***Payments*** -21 000 000,00 CHAPTER - 1202 Financial services and capital markets ARTICLE - 12 02 03 Standards in the fields of financial reporting and auditing ***Payments*** -265 901,00 ITEM - 12 02 77 06 Pilot project -- Horizontal Task Force on Distributed Ledger Technology ***Payments*** -144 122,00 EN 4 EN CHAPTER - 1307 Aid Regulation ARTICLE - 13 07 01 Financial support for encouraging the economic development of the Turkish Cypriot community ***Payments*** -1 886 408,00 CHAPTER - 1308 Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ARTICLE - 13 08 01 Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H1b (ESF, ERDF and CF) ***Payments*** -815 000,00 ARTICLE - 13 08 02 Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H2 (EAFRD) ***Payments*** -746 000,00 CHAPTER - 1603 Communication actions ITEM - 16 03 02 03 Online and written information and communication tools ***Payments*** -1 200 000,00 ITEM - 16 03 77 05 Preparatory action -- Share Europe Online ***Payments*** -300 000,00 CHAPTER - 1703 Public health ARTICLE - 17 03 01 Third ***programme*** for the Union's action in the field of health (2014-2020) ***Payments*** -3 000 000,00 CHAPTER - 1704 Food and feed safety, animal health, animal welfare and plant health ARTICLE - 17 04 03 Ensuring effective, efficient and reliable controls ***Payments*** -1 000 000,00 ITEM - 17 04 77 05 Pilot project -- Establishment of a harmonised internal market for pigmeat obtained from pigs that have not been surgically castrated ***Payments*** -300 000,00 CHAPTER - 1802 Internal security ARTICLE - 18 02 03 European Border and Coast Guard Agency (Frontex) ***Payments*** -20 000 000,00 ARTICLE - 18 02 07 European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (`eu-LISA`) ***Payments*** -85 600 000,00 CHAPTER - 1803 Asylum and migration ITEM - 18 03 01 02 Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies ***Payments*** -45 000 000,00 CHAPTER - 1902 Instrument contributing to Stability and Peace (IcSP) -- Crisis response, conflict prevention, peace-building and crisis preparedness ARTICLE - 19 02 01 Response to crisis and emerging crisis ***Payments*** -20 000 000,00 ARTICLE - 19 02 02 Support to conflict prevention, peace-building and crisis preparedness ***Payments*** -3 000 000,00 ARTICLE - 19 02 51 Completion of actions in the field of crisis response and preparedness (2007 to 2013) ***Payments*** -16 000 000,00 EN 5 EN CHAPTER - 1903 Common foreign and security policy (CFSP) ITEM - 19 03 01 04 Other crisis management measures and operations ***Payments*** -8 495 353,12 ITEM - 19 03 01 07 European Union Special Representatives ***Payments*** -1 497 806,74 ARTICLE - 19 03 02 Support to non-proliferation and disarmament ***Payments*** -806 840,14 CHAPTER - 1905 Cooperation with third countries under the Partnership Instrument (PI) ARTICLE - 19 05 01 Cooperation with third countries to advance and promote Union and mutual interests ***Payments*** -10 000 000,00 ARTICLE - 19 05 51 Completion of actions in the field of relations and cooperation with industrialised third countries (2007 to 2013) ***Payments*** -1 587 927,42 CHAPTER - 2002 Trade policy ARTICLE - 20 02 01 External trade relations, including access to the markets of third countries ***Payments*** -560 000,00 CHAPTER - 2102 Development Cooperation Instrument (DCI) ARTICLE - 21 02 01 Cooperation with Latin America ***Payments*** -15 000 000,00 ITEM - 21 02 07 05 Migration and asylum ***Payments*** -60 000 000,00 ARTICLE - 21 02 09 Pan-African ***programme*** to support the Joint Africa-European Union Strategy ***Payments*** -16 137 425,81 ITEM - 21 02 51 08 Geographical cooperation with Africa, Caribbean and Pacific states ***Payments*** -17 000 000,00 CHAPTER - 2108 Development and cooperation worldwide ARTICLE - 21 08 01 Evaluation of the results of Union aid and follow-up and audit measures ***Payments*** -4 000 000,00 ARTICLE - 21 08 02 Coordination and promotion of awareness on development issues ***Payments*** -2 000 000,00 CHAPTER - 2302 Humanitarian aid, food aid and disaster preparedness ARTICLE - 23 02 02 Disaster prevention, disaster risk reduction and preparedness ***Payments*** -3 500 000,00 CHAPTER - 2303 The Union Civil Protection Mechanism ITEM - 23 03 02 01 Rapid and efficient emergency response interventions in the event of major disasters within the Union ***Payments*** -260 000,00 ITEM - 23 03 02 02 Rapid and efficient emergency response interventions in the event of major disasters in third countries ***Payments*** -2 370 000,00 EN 6 EN CHAPTER - 2603 Services to public administrations, businesses and citizens ARTICLE - 26 03 01 Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA²) ***Payments*** -3 000 000,00 ITEM - 26 03 77 02 Pilot project -- Governance and quality of software code -- Auditing of free and open-source software ***Payments*** -471 000,00 ITEM - 26 03 77 03 Pilot project -- PublicAccess.eu: Online platform for the proactive publication of Union institutions-- unclassified documents ***Payments*** -37 000,00 ITEM - 26 03 77 05 Pilot project -- Promoting linked open data, free software and civil society participation in law-making throughout the Union (Authoring Tool for Amendments (AT4AM)/ Legislation Editing Open Software (LEOS) Linked Open Data (LOD) and Free Software (FS) integration) ***Payments*** -26 292,36 CHAPTER - 3303 Justice ARTICLE - 33 03 01 Supporting and promoting judicial training and facilitating effective access to justice for all ***Payments*** -273 261,00 CHAPTER - 3402 Climate action at Union and international level ARTICLE - 34 02 01 Reducing Union greenhouse gas emissions ***Payments*** -1 000 000,00 ARTICLE - 34 02 02 Increasing the resilience of the Union to climate change ***Payments*** -200 000,00 TO CHAPTER - 0504 Rural development ITEM - 05 04 60 01 Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union ***agricultural*** sector ***Payments*** 567 662 308,42 EN 7 EN Line/Heading Initial Budget + AB (1) ***Transfers*** (2) Utilisation (3) Available amount (4)=(1)+(2)-(3) ***Transfer*** proposed (5) Change (5/1) Total (4±5) ***Payment*** - 01 02 01 - Coordination and surveillance of, and communication on, the economic and monetary union, including the euro 12 000 000,00 0,00 8 420 351,81 3 579 648,19 -1 550 000,00 -12,92 % 2 029 648,19 ***Payment*** - 01 03 02 - Macro-financial assistance 45 828 000,00 -25 400 000,00 10 162 466,00 10 265 534,00 -10 000 000,00 -21,82 % 265 534,00 ***Payment*** - 04 03 02 03 - Microfinance and Social Entrepreneurship -- Increasing access to, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises 27 500 000,00 -725 898,26 8 882 507,03 17 891 594,71 -6 500 000,00 -23,64 % 11 391 594,71 ***Payment*** - 04 05 51 - Completion of actions (prior to 2014) -- Instrument for Pre-Accession Assistance -- Human resources development 50 000 000,00 -8 200 000,00 40 041 442,90 1 758 557,10 -1 253 148,80 -2,51 % 505 408,30 ***Payment*** - 04 06 01 - Promoting social cohesion and alleviating the worst forms of poverty in the Union 440 000 000,00 0,00 253 707 353,76 186 292 646,24 -150 000 000,00 -34,09 % 36 292 646,24 ***Payment*** - 05 02 10 02 - Promotion measures -- Direct ***payments*** by the Union 12 037 000,00 0,00 2 619 427,12 9 417 572,88 -1 724 000,00 -14,32 % 7 693 572,88 ***Payment*** - 05 04 60 01 - Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union ***agricultural*** sector 9 902 000 000,00 473 190 881,59 10 272 065 630,52 103 125 251,07 567 662 308,42 5,73 % 670 787 559,49 ***Payment*** - 05 06 02 - International ***agricultural*** organisations 180 000,00 -40 000,00 28 000,00 112 000,00 -112 000,00 -62,22 % 0,00 ***Payment*** - 05 08 03 - Restructuring of systems for ***agricultural*** surveys 7 330 573,00 -2 665 166,00 2 751 104,84 1 914 302,16 -442 000,00 -6,03 % 1 472 302,16 ***Payment*** - 05 08 77 12 - Pilot project -- Social eco-village 120 000,00 0,00 0,00 120 000,00 -120 000,00 -100,00 % 0,00 ***Payment*** - 05 08 77 13 - Pilot project -- Improving crisis prevention and management criteria and strategies in the ***agricultural*** sector 90 000,00 -45 609,34 0,00 44 390,66 -44 390,66 -49,32 % 0,00 ***Payment*** - 06 02 03 01 - European Maritime Safety Agency 42 650 882,00 -4 500 000,00 33 521 862,86 4 629 019,14 -4 624 000,00 -10,84 % 5 019,14 ***Payment*** - 06 02 05 - Support activities to the European transport policy and passenger rights including communication activities 13 052 654,00 1 115 984,00 12 857 058,67 1 311 579,33 -529 789,33 -4,06 % 781 790,00 ***Payment*** - 06 03 03 01 - Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system 103 235 669,00 32 169 823,36 131 691 833,79 3 713 658,57 -1 700 000,00 -1,65 % 2 013 658,57 ***Payment*** - 07 02 01 - Contributing to a greener and more resource-efficient economy and to the development and implementation of Union environmental policy and legislation 67 000 000,00 -150 000,00 49 924 040,76 16 925 959,24 -2 800 000,00 -4,18 % 14 125 959,24 ***Payment*** - 07 02 03 - Supporting better environmental governance and information at all levels 50 000 000,00 -6 000 000,00 33 417 261,84 10 582 738,16 -1 400 000,00 -2,80 % 9 182 738,16 ***Payment*** - 07 02 04 - Contribution to multilateral and international environment agreements 3 900 000,00 0,00 3 670 870,87 229 129,13 -229 129,13 -5,88 % 0,00 ***Payment*** - 07 02 51 - Completion of previous environmental ***programmes*** 105 000 000,00 250 000,00 94 903 424,58 10 346 575,42 -800 000,00 -0,76 % 9 546 575,42 ***Payment*** - 09 02 01 - Definition and implementation of the Union's policy in the field of electronic communications 3 580 000,00 -216 288,65 2 263 095,76 1 100 615,59 -934 046,03 -26,09 % 166 569,56 ***Payment*** - 09 03 02 - Creating an environment more conducive to private investment for telecommunications infrastructure projects -- CEF broadband EN 8 EN 45 000 000,00 -36 000 000,00 0,00 9 000 000,00 -9 000 000,00 -20,00 % 0,00 Line/Heading Initial Budget + AB (1) ***Transfers*** (2) Utilisation (3) Available amount (4)=(1)+(2)-(3) ***Transfer*** proposed (5) Change (5/1) Total (4±5) ***Payment*** - 09 03 03 - Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level 71 830 000,00 -5 633 883,00 57 821 147,68 8 374 969,32 -3 221 629,83 -4,49 % 5 153 339,49 ***Payment*** - 09 03 04 - WiFi4EU -- Support the deployment of free local wifi 0,00 580 000,00 125 710,00 454 290,00 -454 290,00 0,00 % 0,00 ***Payment*** - 11 06 12 - Completion of European Fisheries Fund (EFF) -- Convergence objective (2007 to 2013) 5 000 000,00 -500 000,00 4 315 477,13 184 522,87 -184 522,87 -3,69 % 0,00 ***Payment*** - 11 06 13 - Completion of European Fisheries Fund (EFF) -- Outside convergence objective (2007 to 2013) 5 000 000,00 -500 000,00 2 940 975,82 1 559 024,18 -1 559 024,18 -31,18 % 0,00 ***Payment*** - 11 06 60 - Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the common fisheries policy 480 000 000,00 -151 724 787,62 252 283 421,17 75 991 791,21 -21 000 000,00 -4,38 % 54 991 791,21 ***Payment*** - 12 02 03 - Standards in the fields of financial reporting and auditing 5 718 000,00 1 630 557,00 7 082 655,80 265 901,20 -265 901,00 -4,65 % 0,20 ***Payment*** - 12 02 77 06 - Pilot project -- Horizontal Task Force on Distributed Ledger Technology 425 000,00 -75 000,00 72 205,09 277 794,91 -144 122,00 -33,91 % 133 672,91 ***Payment*** - 13 07 01 - Financial support for encouraging the economic development of the Turkish Cypriot community 39 031 865,00 -18 000 000,00 12 744 390,62 8 287 474,38 -1 886 408,00 -4,83 % 6 401 066,38 ***Payment*** - 13 08 01 - Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H1b (ESF, ERDF and CF) 0,00 4 217 800,00 1 016 917,00 3 200 883,00 -815 000,00 0,00 % 2 385 883,00 ***Payment*** - 13 08 02 - Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H2 (EAFRD) 0,00 1 273 000,00 0,00 1 273 000,00 -746 000,00 0,00 % 527 000,00 ***Payment*** - 16 03 02 03 - Online and written information and communication tools 26 075 000,00 -2 200 000,00 19 479 422,99 4 395 577,01 -1 200 000,00 -4,60 % 3 195 577,01 ***Payment*** - 16 03 77 05 - Preparatory action -- Share Europe Online 936 000,00 0,00 577 488,09 358 511,91 -300 000,00 -32,05 % 58 511,91 ***Payment*** - 17 03 01 - Third ***programme*** for the Union's action in the field of health (2014-2020) 46 000 000,00 -3 000 000,00 33 141 069,70 9 858 930,30 -3 000 000,00 -6,52 % 6 858 930,30 ***Payment*** - 17 04 03 - Ensuring effective, efficient and reliable controls 49 500 000,00 -7 597 646,72 36 928 510,20 4 973 843,08 -1 000 000,00 -2,02 % 3 973 843,08 ***Payment*** - 17 04 77 05 - Pilot project -- Establishment of a harmonised internal market for pigmeat obtained from pigs that have not been surgically castrated 300 000,00 0,00 0,00 300 000,00 -300 000,00 -100,00 % 0,00 ***Payment*** - 18 02 03 - European Border and Coast Guard Agency (Frontex) 281 267 000,00 0,00 261 267 000,00 20 000 000,00 -20 000 000,00 -7,11 % 0,00 ***Payment*** - 18 02 07 - European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (`eu-LISA`) 153 334 200,00 0,00 64 920 000,00 88 414 200,00 -85 600 000,00 -55,83 % 2 814 200,00 ***Payment*** - 18 03 01 02 - Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies 277 783 460,00 -9 834 579,84 217 570 880,03 50 378 000,13 -45 000 000,00 -16,20 % 5 378 000,13 ***Payment*** - 19 02 01 - Response to crisis and emerging crisis 181 000 000,00 0,00 151 591 387,44 29 408 612,56 -20 000 000,00 -11,05 % 9 408 612,56 EN 9 EN ***Payment*** - 19 02 02 - Support to conflict prevention, peace-building and crisis preparedness 17 000 000,00 0,00 12 917 425,41 4 082 574,59 -3 000 000,00 -17,65 % 1 082 574,59 EN 10 EN Line/Heading Initial Budget + AB (1) ***Transfers*** (2) Utilisation (3) Available amount (4)=(1)+(2)-(3) ***Transfer*** proposed (5) Change (5/1) Total (4±5) ***Payment*** - 19 02 51 - Completion of actions in the field of crisis response and preparedness (2007 to 2013) 26 000 000,00 0,00 7 788 793,40 18 211 206,60 -16 000 000,00 -61,54 % 2 211 206,60 ***Payment*** - 19 03 01 04 - Other crisis management measures and operations 78 595 750,00 56 104 591,94 106 238 736,86 28 461 605,08 -8 495 353,12 -10,81 % 19 966 251,96 ***Payment*** - 19 03 01 07 - European Union Special Representatives 26 861 438,00 -13 803 442,71 6 583 658,80 6 474 336,49 -1 497 806,74 -5,58 % 4 976 529,75 ***Payment*** - 19 03 02 - Support to non-proliferation and disarmament 25 500 000,00 0,00 20 128 268,63 5 371 731,37 -806 840,14 -3,16 % 4 564 891,23 ***Payment*** - 19 05 01 - Cooperation with third countries to advance and promote Union and mutual interests 84 191 000,00 -19 000 000,00 52 429 484,96 12 761 515,04 -10 000 000,00 -11,88 % 2 761 515,04 ***Payment*** - 19 05 51 - Completion of actions in the field of relations and cooperation with industrialised third countries (2007 to 2013) 7 045 000,00 0,00 4 447 732,91 2 597 267,09 -1 587 927,42 -22,54 % 1 009 339,67 ***Payment*** - 20 02 01 - External trade relations, including access to the markets of third countries 11 500 000,00 -581 760,29 9 357 733,45 1 560 506,26 -560 000,00 -4,87 % 1 000 506,26 ***Payment*** - 21 02 01 - Cooperation with Latin America 245 571 576,00 -17 000 000,00 154 542 376,55 74 029 199,45 -15 000 000,00 -6,11 % 59 029 199,45 ***Payment*** - 21 02 07 05 - Migration and asylum 115 722 000,00 0,00 39 236 843,39 76 485 156,61 -60 000 000,00 -51,85 % 16 485 156,61 ***Payment*** - 21 02 09 - Pan-African ***programme*** to support the Joint Africa-European Union Strategy 124 670 461,00 -43 848 586,00 64 042 042,25 16 779 832,75 -16 137 425,81 -12,94 % 642 406,94 ***Payment*** - 21 02 51 08 - Geographical cooperation with Africa, Caribbean and Pacific states 260 218 059,00 -134 271 254,57 105 704 729,58 20 242 074,85 -17 000 000,00 -6,53 % 3 242 074,85 ***Payment*** - 21 08 01 - Evaluation of the results of Union aid and follow-up and audit measures 25 521 281,00 -1 239 104,00 19 162 073,53 5 120 103,47 -4 000 000,00 -15,67 % 1 120 103,47 ***Payment*** - 21 08 02 - Coordination and promotion of awareness on development issues 13 608 960,00 -4 060 896,00 4 043 439,71 5 504 624,29 -2 000 000,00 -14,70 % 3 504 624,29 ***Payment*** - 23 02 02 - Disaster prevention, disaster risk reduction and preparedness 46 873 968,00 0,00 37 303 300,77 9 570 667,23 -3 500 000,00 -7,47 % 6 070 667,23 ***Payment*** - 23 03 02 01 - Rapid and efficient emergency response interventions in the event of major disasters within the Union 1 400 000,00 -875 000,00 217 140,61 307 859,39 -260 000,00 -18,57 % 47 859,39 ***Payment*** - 23 03 02 02 - Rapid and efficient emergency response interventions in the event of major disasters in third countries 14 010 000,00 -6 400 000,00 4 902 147,32 2 707 852,68 -2 370 000,00 -16,92 % 337 852,68 ***Payment*** - 26 03 01 - Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA²) 18 000 000,00 0,00 13 405 029,37 4 594 970,63 -3 000 000,00 -16,67 % 1 594 970,63 ***Payment*** - 26 03 77 02 - Pilot project -- Governance and quality of software code -- Auditing of free and open-source software 471 000,00 0,00 0,00 471 000,00 -471 000,00 -100,00 % 0,00 ***Payment*** - 26 03 77 03 - Pilot project -- PublicAccess.eu: Online platform for the proactive publication of Union institutions-- unclassified documents 813 000,00 -200 000,00 570 921,67 42 078,33 -37 000,00 -4,55 % 5 078,33 ***Payment*** - 26 03 77 05 - Pilot project -- Promoting linked open data, free software and civil society participation in law-making throughout the Union (Authoring Tool for Amendments (AT4AM)/ Legislation Editing Open Software (LEOS) Linked Open Data (LOD) and Free Software (FS) integration) EN 11 EN 377 000,00 -257 000,00 93 707,64 26 292,36 -26 292,36 -6,97 % 0,00 EN 12 EN Line/Heading Initial Budget + AB (1) ***Transfers*** (2) Utilisation (3) Available amount (4)=(1)+(2)-(3) ***Transfer*** proposed (5) Change (5/1) Total (4±5) ***Payment*** - 33 03 01 - Supporting and promoting judicial training and facilitating effective access to justice for all 24 600 000,00 -1 590 940,40 15 542 301,56 7 466 758,04 -273 261,00 -1,11 % 7 193 497,04 ***Payment*** - 34 02 01 - Reducing Union greenhouse gas emissions 45 000 000,00 -12 761 385,65 27 122 980,92 5 115 633,43 -1 000 000,00 -2,22 % 4 115 633,43 ***Payment*** - 34 02 02 - Increasing the resilience of the Union to climate change 19 500 000,00 -4 500 000,00 12 638 772,65 2 361 227,35 -200 000,00 -1,03 % 2 161 227,35 Total DECREASE ***Payments*** -567 662 308,42 Total INCREASE ***Payments*** 567 662 308,42 Total DECREASE Commitments 0,00 Total INCREASE Commitments 0,00 Total DECREASE Non-Diff 0,00 Total INCREASE Non-Diff 0,00 EN 13 EN Justifications Decreased 01 02 01 Coordination and surveillance of, and communication on, the economic and monetary union, including the euro Delays in the execution of ongoing contracts and delays in the award of contracts due to difficult contract negotiations caused a shift of ***payments*** to 2018. Furthermore, the possibility of pre-financing in new framework contracts has been limited, which - combined with late contract signatures - also resulted in a shift of the timing of ***payment*** requirements. As a result, EUR 1,5 million in ***payment*** appropriations can be made available. Decreased 01 03 02 Macro-financial assistance Because of delays in the ratification process of the MFA operation for Moldova it is not possible to disburse the first tranche of EUR 20,0 million in loans and EUR 10,0 million in grants in 2017. As a result, EUR 10,0 million of ***payment*** appropriations can be made available. Decreased 04 03 02 03 Microfinance and Social Entrepreneurship -- Increasing access to, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises The launch of the Employment and Social Innovation (EaSI) Funded Instrument has been delayed to 2018 due to protracted negotiations with the European Investment Fund (EIF). As a result, EUR 6,5 million are made available. Decreased 04 05 51 Completion of actions (prior to 2014) -- Instrument for Pre-Accession Assistance -- Human resources development Due to a lower-than-expected level of declared expenditure from Candidate Countries, mainly Montenegro and the former Yugoslav Republic of Macedonia (fYRoM), EUR 1,3 million can be made available. Decreased 04 06 01 Promoting social cohesion and alleviating the worst forms of poverty in the Union The lower-than-expected execution of ***payment*** appropriations for the Fund for European Aid to the Most Deprived (FEAD) is mostly linked to delays in the ***payment*** claims received from the Member States. On this basis, EUR 150,0 million can be made available. Decreased 05 02 10 02 Promotion measures -- Direct ***payments*** by the Union An amount of EUR 1,7 million in ***payment*** appropriations will not be consumed in 2017 and can be made available, as one of the beneficiaries renounced the initially foreseen pre-financing ***payment***. Increased 05 04 60 01 Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union ***agricultural*** sector The ***payment*** appropriations released in the context of this end-of-***year***-***transfer*** (EUR 567,7 million) can be fully absorbed by additional ***payments*** for Rural Development ***programmes*** 2014-2020 financed by the European ***Agricultural*** Fund for Rural Development (EAFRD), because the claims sent by Member States for the third quarter 2017 turned out higher than expected. EN 14 EN Decreased 05 06 02 International ***agricultural*** organisations The financial contribution to the International Organisation of Vine and Wine for the ***year*** 2017 amounts to EUR 28 000. This amount was calculated - pro rata temporis - on the basis of the annual financial contribution of EUR 140 000 laid down in the Council Decision adopted on 9 October 2017 (12221/17). Therefore, the remaining amount of EUR 112 000 can be released. Decreased 05 08 03 Restructuring of systems for ***agricultural*** surveys Following an in-depth assessment of all pending ***payment*** claims and still available credits, an amount of EUR 442 000 in ***payment*** appropriations would remain available by the end of the ***year*** and can, therefore, be released. Decreased 05 08 77 12 Pilot project -- Social eco-village The award of the contract following an open call for tender will take place very late in December 2017. Consequently, no ***payments*** will be done this ***year***. All ***payment*** appropriations (EUR 120 000) can therefore be released. Decreased 05 08 77 13 Pilot project -- Improving crisis prevention and management criteria and strategies in the ***agricultural*** sector The award of the contract following an open call for tender will take place very late in December 2017. Consequently, no ***payments*** will be done this ***year***. All ***payment*** appropriations (EUR 44 391) can therefore be released. Decreased 06 02 03 01 European Maritime Safety Agency The under-implementation in ***payment*** appropriations by the European Maritime Safety Agency (EMSA) is due to delays in implementing a pilot project of cooperation between Coast Guards. Therefore, EUR 4,6 million can be released in the end-of-***year*** ***transfer***. Decreased 06 02 05 Support activities to the European transport policy and passenger rights including communication activities According to the latest forecasts based on the received invoices and on the requested pre-financing ***payments***, EUR 0,5 million can be released. Decreased 06 03 03 01 Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system According to the latest forecasts, the ***payment*** needs related to the European Local Energy Assistance (ELENA) Fund are lower than initially expected and, therefore, EUR 1,7 million can be released. Decreased 07 02 01 Contributing to

a greener and more resource-efficient economy and to the development and implementation of Union environmental policy and legislation Following in-depth analysis of the outstanding and expected invoices to be settled before ***year***-end, EUR 2,8 million can be released. Since beneficiaries have not yet consumed the first pre-financing related to the Environment and Climate Action ***Programme*** (LIFE) integrated projects and preparatory actions, the second pre-financings cannot yet be paid out. EN 15 EN Decreased 07 02 03 Supporting better environmental governance and information at all levels Following in-depth analysis of the outstanding and expected invoices to be settled before ***year***-end, EUR 1,4 million can be released. Since beneficiaries have not yet consumed the first pre-financing related to the Environment and Climate Action ***Programme*** (LIFE) integrated projects and preparatory actions, the second pre-financings cannot yet be paid out. Decreased 07 02 04 Contribution to multilateral and international environment agreements In the light of the expected requests for contributions to the various Conventions to be settled before ***year***-end, EUR 229 129 can be released. This is due to achieved savings from the exchange rate applied at time of ***payment*** (USD to EUR) and because of the delay in the ratification by the European Union of the Minamata Convention on Mercury. Decreased 07 02 51 Completion of previous environmental ***programmes*** Following the analysis of the outstanding (mostly final) invoices for the Environment and Climate Action ***Programme*** (LIFE) traditional projects, EUR 0,8 million can be released. The under-implementation of ***payment*** appropriations on this budget line is due to delays in providing additional information by beneficiaries for treating the final invoices, despite reminders and specific deadlines. Decreased 09 02 01 Definition and implementation of the Union's policy in the field of electronic communications Due to significant delays in both the submission and approval of a number of reports together with a substantial delay in concluding a contract, some ***payments*** cannot take place until 2018. Therefore, an amount of EUR 0,9 million can be released. Decreased 09 03 02 Creating an environment more conducive to private investment for telecommunications infrastructure projects -- CEF broadband The conditions for the ***payment*** to the fund manager selected to operate the Connecting Europe Broadband Fund will not be met before the end of 2017. Therefore, the amount of EUR 9,0 million can be released. Decreased 09 03 03 Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level The needs for ***payment*** appropriations are lower than anticipated for two reasons: first, a reduction in the interim cost claims for the 2015 Safer Internet Actions; and second, a reduction in pre-financing needs for Core Services Platforms and actions selected under the 2016 calls. In total, EUR 3,2 million can be released. Decreased 09 03 04 WiFi4EU -- Support the deployment of free local wifi Due to the late adoption of the legal basis for the WiFi4EU initiative (Regulations (EU) 2017/1953 of the European Parliament and of the Council of 25 October 2017), no other ***payment*** will be made this ***year***. The amount of EUR 454 290 can therefore be released. EN 16 EN Decreased 11 06 12 Completion of European Fisheries Fund (EFF) -- Convergence objective (2007 to 2013) No further operational ***programme*** will be proposed for closure in 2017 and no further ***payments*** are expected on this budget line, so that EUR 184 523 can be released. Decreased 11 06 13 Completion of European Fisheries Fund (EFF) -- Outside convergence objective (2007 to 2013) No further operational ***programmes*** will be proposed for closure in 2017 and no further ***payments*** are expected on this budget line, so that EUR 1,6 million can be released in the end-of-***year*** ***transfer***. Decreased 11 06 60 Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the common fisheries policy Following an in-depth analysis of revised forecasts, expected claims to be received and outstanding ***payment*** needs per Member State up to the end of the ***year***, EUR 21,0 million can be released. Decreased 12 02 03 Standards in the fields of financial reporting and auditing The proposed decrease of EUR 265 901 is due to the fact that, at the interim ***payment*** stage, a grant beneficiary (International Financial Reporting Standards) declared lower costs than initially estimated. This amount can be released. Decreased 12 02 77 06 Pilot project -- Horizontal Task Force on Distributed Ledger Technology The proposed decrease of EUR 144 122 is due to the fact that the Feasibility Study on Distributed Ledger Technology for the European Financial Transparency Gateway has been extended until mid-December 2017. Therefore, the final ***payment*** will be executed in 2018 and not in 2017 as initially planned. Hence, this amount can be released. Decreased 13 07 01 Financial support for encouraging the economic development of the Turkish Cypriot community The aid ***programme*** is implemented in a unique diplomatic, legal and political context that raises a number of operational and legal challenges, which may delay project preparation and contracting. Although steps have been taken to streamline the outstanding commitments, the signature of some contracts were somewhat delayed and, therefore, the expected pre-financing ***payments*** can only be effected at the beginning of 2018. The figures also include the revised ***payment*** forecast for the Technical Assistance and Information Exchange (TAIEX). Therefore, an amount of EUR 1,9 million can be released. Decreased 13 08 01 Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H1b (ESF, ERDF and CF) The Structural Reform Support ***Programme*** (SRSP) entered into force on 20 May 2017 and the implementation could only start after the adoption of the 2017 Annual Work ***Programme*** on 28 August 2017. A substantial number of requests for technical support under the first round of the SRSP have already been received from 16 Member States and the files are currently being dealt with. Nevertheless, on the basis of the revised ***payment*** forecast, EUR 0,8 million will not be used before the end of 2017 and can be released. EN 17 EN Decreased 13 08 02 Structural Reform Support ***Programme*** (SRSP) -- Operational technical assistance ***transferred*** from H2 (EAFRD) The Structural Reform Support ***Programme*** (SRSP) entered into force on 20 May 2017 and the implementation could only start after the adoption of the 2017 Annual Work ***Programme*** on 28 August 2017. A substantial number of requests for technical support under the first round of the SRSP were received from 16 Member States and the files are currently being dealt with. Nevertheless, on the basis of the revised ***payment*** forecast, EUR 0,7 million will not be used before the end of 2017 and can be released. Decreased 16 03 02 03 Online and written information and communication tools Based on all invoices expected to be received until the end of the ***year***, EUR 1,2 million in ***payment*** appropriations can be released. Decreased 16 03 77 05 Preparatory action -- Share Europe Online The implementation of ***payments*** under this budget line in 2016 was higher than initially estimated during the preparation of the Draft Budget 2017. For this reason, the outstanding commitments are lower than the available ***payment*** appropriations and the exceeding ***payment*** appropriations (EUR 300 000) can be released. Decreased 17 03 01 Third ***programme*** for the Union's action in the field of health (2014-2020) The reasons for under-implementation are as follows: firstly, several projects have not been implemented by the beneficiaries at the pace foreseen, which caused delays in the implementation of the grant agreement and thus delays in the submission of the ***payment*** requests. Secondly, the conclusion of Joint Action agreements with the Member States is more time-consuming than initially estimated. As the conclusion of such agreements triggers the ***payment*** of a pre-financing, the signature delays have caused delays in the ***payment*** of pre-financings. Consequently, EUR 3,0 million can be released. Decreased 17 04 03 Ensuring effective, efficient and reliable controls The ***payment*** appropriations available on this budget line are used to cover actions in the framework of the Better Training for Safer Food initiative. Several actions, for which invoices were expected to be paid in 2017, have been delayed and the respective invoices have not been submitted by the contractors. As a result, the actual needs for ***payment*** credits are lower than foreseen and EUR 1,0 million can be released. Decreased 17 04 77 05 Pilot project -- Establishment of a harmonised internal market for pigmeat obtained from pigs that have not been surgically castrated The implementation of this pilot project combines the use of 2017 and 2018 commitment appropriations. The financing decision for this pilot project will be adopted in December 2017 and subsequently the call for proposals procedure will be launched. So, this ***year*** no ***payment*** appropriations will be needed and, therefore, EUR 300 000 can be released. Decreased 18 02 03 European Border and Coast Guard Agency (Frontex) Frontex has reduced its 2017 budget for Operational Activities (return support: EUR 13,0 million, miscellaneous operational activities: EUR 3,0 million) and staff costs (EUR 4,0 million). Therefore, EUR 20,0 million of ***payment*** appropriations can be released. EN 18 EN Decreased 18 02 07 European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (`eu-LISA`) Eu-Lisa has reduced its 2017 budget for the following reasons: • EUR 67,6 million foreseen for the Entry Exit System, Eurodac and the revision of the Dublin regulation are not needed because of the delays in the adoption of the legal bases. • EUR 18,0 million are not needed due to delayed invoicing and acceptance of deliverables under shared system infrastructure: Schengen Information System (SIS) II Maintenance Working Order (MWO); Visa Information System – Biometric Matching System (VIS-BMS) MWO; Eurodac MWO. Therefore, a total of EUR 85,6 million of ***payment*** appropriations are made available. Decreased 18 03 01 02 Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies EUR 45,0 million foreseen for the EU Trust Fund for stability and addressing root causes of irregular migration and displaced people in Africa are only needed in 2018 because contributions from Member States cover the remaining needs for 2017. Decreased 19 02 01 Response to crisis and emerging crisis The extremely volatile security situation in Somalia, Syria, Afghanistan, Central African Republic and Libya resulted in logistical and technical difficulties to identify and formulate actions in these countries. In addition, extensive upstream consultations and coordination with the European External Action Service (EEAS) and Member States present in the above countries caused delays in contracting. Therefore, EUR 20,0 million can be released. Decreased 19 02 02 Support to conflict prevention, peace-building and crisis preparedness The ongoing political tensions in Venezuela and Burundi had a negative impact on the speed of contracting of projects under calls for proposals with civil society organisations in the area of conflict prevention and peace-building. This resulted in lower needs for pre-financing and hence EUR 3,0 million in ***payment*** appropriations can be released. Decreased 19 02 51 Completion of actions in the field of crisis response and preparedness (2007 to 2013) There is a marked slow-down in implementation of the predecessor Instrument for Stability (IfS) interventions in crisis prone regions such as West Africa and in Afghanistan due to the deterioration of the local security situation. Therefore, EUR 16,0 million can be released. Decreased 19 03 01 04 Other crisis management measures and operations The efficient management of the EU Capacity Building Mission (EUCAP) Sahel Mali allowed for savings in the area of security and staff accommodation. Furthermore, procurement of supplies and works for this mission was postponed to the next mandate. On this basis, EUR 8,5 million can be released. EN 19 EN Decreased 19 03 01 07 European Union Special Representatives The final reports for the European Union Special Representatives (EUSR) for the Middle East Peace Process and the Southern Caucasus and Georgia were delayed. As a result, it was not possible to process the related ***payments***. Therefore, EUR 1,5 million can be released. Decreased 19 03 02 Support to non-proliferation and disarmament Reports related to ***payments*** for Arms Trade Treaty IV and the Non-Proliferation Consortium promoting the European network of independent non-proliferation think tanks were suspended, which led to a lower implementation in ***payments*** that initially expected. For this reason, EUR 0,8 million can be released. Decreased 19 05 01 Cooperation with third countries to advance and promote Union and mutual interests Protracted negotiations with the European Aviation Safety Agency and with international organisations (International Labour Organization - ILO, Organization for Economic Co-operation and Development - OECD) resulted in a delay in contracting and hence to a reduction in the need for pre-financing in 2017. The need to re-launch procurement tenders in the areas of cyber security and the digital economy had a similar effect. Therefore, EUR 10,0 million can be released. Decreased 19 05 51 Completion of actions in the field of relations and cooperation with industrialised third countries (2007 to 2013) Delays in contracting grants with universities in Asia and the Americas benefiting from Erasmus cooperation in the framework of the Partnership instrument resulted in ***payment*** appropriation requirements being reduced by ***year***-end. Hence, EUR 1,6 million can be released in the end-of-***year*** ***transfer***. Decreased 20 02 01 External trade relations, including access to the markets of third countries Several grant agreements with international organisations will be signed later than expected and consequently the corresponding first pre-financing will be delayed and paid only in 2018. Some reports on evaluation studies have been delayed and thus the relevant (interim or final) ***payments*** will be paid only in 2018. Therefore, EUR 0,6 million can be released. Decreased 21 02 01 Cooperation with Latin America The contribution ***payment*** to the EU Colombia Trust Fund has been postponed to 2018 since the ***payment*** appropriations available in trust fund cover the needs for 2017. On this basis, EUR 15,0 million can be released. Decreased 21 02 07 05 Migration and asylum EUR 60,0 million foreseen to be paid to the EU Emergency Trust Fund for Africa are only needed in 2018 because contributions from Member States cover the remaining needs for 2017. EN 20 EN Decreased 21 02 09 Pan-African ***programme*** to support the Joint Africa-European Union Strategy Three major ***payments*** (EUR 3,0 to 5,0 million) with international organisations (African Union and World Bank) have been delayed as was a EUR 25,0 million contract for a major infrastructure ***programme*** with the African Development Bank. For these reasons, EUR 16,1 million can be released. Decreased 21 02 51 08 Geographical cooperation with Africa, Caribbean and Pacific states ***Payments*** on the reste à liquider (RAL) during 2016 were higher than expected. Furthermore, ***payments*** related to the implementation of projects on the Sugar and Bananas Accompanying Measures ***programmes*** were delayed. On this basis, EUR 17,0 million can be released. Decreased 21 08 01 Evaluation of the results of Union aid and follow-up and audit measures Contracting and ***payments*** under the 2017 Operational Expenditure ***Programme*** for Evaluation and Monitoring for the Enlargement and Neighbourhood Regions will be done as of 2018. Therefore, EUR 4,0 million in ***payment*** appropriations can be released. Decreased 21 08 02 Coordination and promotion of awareness on development issues The implementation of some contracts was delayed and as a result some of the pre-financing will be paid in 2018. For example: the project with Member States on Sustainable Development Goals has not generated all the corresponding ***payments***. Furthermore, some pre-financing ***payments*** initially planned in 2017 were already paid in 2016. For these reasons, EUR 2,0 million can be released. Decreased 23 02 02 Disaster prevention, disaster risk reduction and preparedness The sources of the identified surplus are the following: • The ***payment*** needs were initially estimated on the basis of a 80% pre-financing rate. However, the average pre-financing rate actually applied was 75%. This is due to measures put in place by the Commission to mitigate the financial risk detected with regard to certain beneficiaries. • The final ***payments*** have also been lower than expected due to both fewer cases of closure and lower final ***payment*** amounts resulting from underspending and ineligible amounts detected by ex-ante controls. • In addition, part of the contracting could not be finalised on time to allow the ***payment*** of pre-financing. On this basis, EUR 3,5 million can be released in the context of the end-of-***year*** ***transfer***. Decreased 23 03 02 01 Rapid and efficient emergency response interventions in the event of major disasters within the Union The number of activations of the Union Civil Protection Mechanism during the ***year*** is unpredictable by nature, since it wholly depends on the emergencies that will occur within the EU and the number of transport interventions that will be requested. EUR 260 000 can be released since requests for funding have not fully consumed the availabilities. EN 21 EN Decreased 23 03 02 02 Rapid and efficient emergency response interventions in the event of major disasters in third countries EUR 2,4 million can be released for the same reason as for budget line 23 03 02 01. Decreased 26 03 01 Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA²) Commitments on the 2017 budget are delayed as nine specific contracts signed in 2016 under the previous framework contracts had to be extended in 2017 to ensure a handover to the new framework contracts. The handover was initially planned for October/November; however, the tendering procedure was finalised only recently, so new specific contracts will be signed end of the December at the earliest. These delays have a significant impact on ***payment*** appropriations since ***payments*** initially ***programmed*** for 2017 will only occur in 2018. On this basis, EUR 3,0 million can be released. Decreased 26 03 77 02 Pilot project -- Governance and quality of software code -- Auditing of free and open-source software This pilot project is terminated and can be closed. Therefore, EUR 471 000 can be released. Decreased 26 03 77 03 Pilot project -- PublicAccess.eu: Online platform for the proactive publication of Union institutions-- unclassified documents The surplus of EUR 37 000 is due to the postponement of certain ***payments*** to 2018. These ***payment*** appropriations can be released. Decreased 26 03 77 05 Pilot project -- Promoting linked open data, free software and civil society participation in law-making throughout the Union (Authoring Tool for Amendments (AT4AM)/ Legislation Editing Open Software (LEOS) Linked Open Data (LOD) and Free Software (FS) integration) The surplus of EUR 26 292 is the result of an equivalent amount of carried-over appropriations, which were de-committed in 2017. This amount can be released. Decreased 33 03 01 Supporting and promoting judicial training and facilitating effective access to justice for all Some actions selected after the 2016 call for proposals have not yet submitted a request for pre-financing or have not yet been formally concluded (via a grant agreement). Besides, an invoice related to a conference organised in late November 2017 will be paid only in 2018. In total, EUR 273 261 in ***payment*** appropriations can be released. Decreased 34 02 01 Reducing Union greenhouse gas emissions Following the analysis of the ***payment*** needs until the end of the ***year***, an amount of EUR 1,0 million in ***payment*** appropriations can be released Decreased 34 02 02 Increasing the resilience of the Union to climate change Following the analysis of ***payment*** needs until the end of the ***year***, an amount of EUR 200 000 can be released.

**Load-Date:** January 9, 2018

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[***-IMF Staff Reviews Progress of Madagascar's Economic Program***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TC1-6SJ1-JD3Y-Y207-00000-00&context=1516831)

ENP Newswire

September 27, 2018 Thursday

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**Body**

End-of-Mission press releases include statements of IMF staff teams that convey preliminary findings after a visit to a country.

The views expressed in this statement are those of the IMF staff and do not necessarily represent the views of the IMF's Executive Board. Based on the preliminary findings of this mission, staff will prepare a report that, subject to management approval, will be presented to the IMF's Executive Board for discussion and decision.

Economic growth is expected to exceed 5 percent this ***year***, the highest in 10 ***years***.

Containing lower priority spending and further boosting revenue remain essential to continue scaling up public investment and social spending.

Combating corruption remains critical to improving governance and avoiding a substantial economic impact.

A team from the International Monetary Fund (IMF) led by Marshall Mills, Mission Chief for Madagascar, visited Antananarivo and Toamasina on September 12-26, 2018. The team held discussions with the authorities on the fourth review of Madagascar's economic reform ***program*** supported by the IMF's three-***year*** Extended Credit Facility (ECF [1]).

At the end of the mission, Mr. Mills issued the following statement:

'Economic conditions have continued to improve. Growth is expected to exceed 5 percent this ***year***, the highest level in 10 ***years***. This outcome is driven by a rebound in ***agricultural*** production, especially for rice, as well as growing public investment. Despite rising international oil prices, external developments have remained favorable, with a strong export performance underpinned by high prices and production for vanilla and mining. After peaking in late 2017, inflation has been falling steadily toward 7 percent by ***year***-end. Raising living standards for the population will nevertheless require sustained and inclusive growth.

'The implementation of the ECF-supported ***program*** remains broadly satisfactory. All ***program*** targets for the first half of the ***year*** were met, except for a temporary shortfall in social spending. In particular, the Central Bank continued building up foreign exchange reserve buffers, which reached an all-time high. The budget was executed largely as planned. Progress also continues on the structural reform agenda, as exemplified by the opening of the first anti-corruption center.

'Continuing the shift from less productive public spending to investment and social spending remains a core ***program*** objective. Delays in adjusting fuel pump price - in a context of rising world oil prices, social difficulties, and continuing discussions on the price structure - are leading to a significant, unfunded liability to distributors. Staff urged the authorities to minimize the impact on the budget and priority spending by progressively aligning pump prices with cost recovery and eliminating the liabilities as expeditiously as conditions permit. The authorities are considering measures to alleviate the impact of price adjustments on the most vulnerable. While the public utility, JIRAMA, has made progress in reducing its needs for government ***transfers***, staff stressed the importance of intensifying efforts to limit ***transfers*** for next ***year***, in line with the authorities' plans.

'In addition, the mission and the authorities conferred on the important reforms underway in monetary policy, the financial sector and public financial management, with the support of IMF technical assistance. The Central Bank is steadily strengthening its operational frameworks to better manage bank liquidity and to limit volatility in the foreign exchange market while building reserves.

'The authorities and staff agreed on the continuing priority of strengthening governance and the fight against corruption. Staff stressed the vital importance of adopting before the end of the ***year*** the two laws that the government submitted to parliament on illicit asset recovery and anti-money laundering. Failure to adopt these laws would expose Madagascar to potentially far-reaching economic consequences, particularly on the cost of cross-border transactions.

'The mission met with Acting President Rivo Rakotovao, Prime Minister Christian Ntsay, Minister of Finance and Budget Vonintsalama Andriambololona, Central Bank of Madagascar Governor Alain Rasolofondraibe, other senior officials, as well as private sector representatives, civil society, and development partners.

'The mission would like to thank the Malagasy authorities for their strong cooperation and the constructive discussions.'

[1] The ECF is a lending arrangement that provides sustained ***program*** engagement over the medium to long term in case of protracted balance of ***payments*** problems

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[***SFGCU Advances UAH 450 Million To Farmers Since Start Of Forward Crop Procurement Program***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SBV-5521-DXMP-K3K4-00000-00&context=1516831)

Ukrainian News Agency

May 18, 2018 6:30 AM EST

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**Body**

The State Food and Grain Corporation of Ukraine (SFGCU) has provided advance ***payments*** to Ukrainian ***agricultural*** producers in the amount totaling UAH 450 million since the start of the forward crop procurement ***program*** for the 2018 grain harvest.

The press service of the SFGCU announced this in a statement, Ukrainian News Agency reports.

"The plan on procurement of wheat of the 2018 harvest has been executed 100%. The ***agricultural*** producers have been financed for a total of over UAH 450 million," reads the statement.

Now the corporation is focused on procurement of maize. The SFGCU projects to purchase 300,000 tons of maize and ***transfer*** to the farmers nearly UAH 900 million in advance.

As Ukrainian News Agency earlier reported, the State Food And Grain Corporation is a public joint-stock company that was created in November 2011 through transformation of the State Food and Grain Corporation from a state enterprise into a state-owned public joint-stock company.

The public joint-stock company inherited all the rights and obligations of the state enterprise and the state retains 100% of the shares in it.

In compliance with the international financial reporting standards, in 2017, the loss of the State Food and Grain Corporation of Ukraine (SFGCU) rose by 68.65% or UAH 568.9 million to UAH 1.398 billion ***year*** over ***year***.

**Load-Date:** May 18, 2018

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[***USDA details aid package for feed, ag industry producers***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T4Y-MPN1-JC6M-X3H4-00000-00&context=1516831)

FeedNavigator.com

August 28, 2018 Tuesday 2:19 PM GMT+1

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**Section:** SUPPLIERS

**Length:** 1183 words

**Byline:** Aerin Einstein-curtis, , [*Aerin*](mailto:Aerin)

**Body**

US feed and ***agricultural*** producers are getting a little help from the USDA in light of the challenging ***agricultural*** economy and ongoing export tariffs.

The US Department of ***Agriculture*** (USDA) released [*details*](https://www.usda.gov/media/press-releases/2018/08/27/usda-announces-details-assistance-farmers-impacted-unjustified) of the up to $12bn aid package on Monday [August 28]. The three-pronged support ***program*** was initially announced July 24 and is expected to start in September.

In response to the actions on trade that the US has taken several countries have retaliated against the US, said Sonny Perdue, US secretary of ***agriculture***, on a conference call. For months now President [Donald] Trump has been standing up to China and other nations and sending the clear message that the United States will no longer tolerate their unfair trade practices, those practices have included non-trade barriers to American products and the forced ***transfer*** or outright theft of our intellectual property, he added.

President Trump has said, Enough is enough, and he's [been] taking action on trade policy to open markets so that American farmers can compete globally, Perdue said. Now the proper response from China and other nations would be to correct their behavior, but instead they chose to retaliate targeting US ***agricultural*** products disproportionately but we always knew US ***agriculture*** would be the tip of the spear if other nations decided to retaliate.

This package to minimize the trade disruption is a three-prong approach, he said. USDA s farm service agency will administer the market facilitation ***program*** to provide ***payments*** to cotton, corn, dairy pork, soybeans, sorghum and wheat growers; USDA s ***agricultural*** marketing service will administer a food purchase and distribution ***program*** to purchase commodities unfairly targeted by the unjustified retaliation.

The foreign ***agricultural*** service, foreign trade promotion ***program*** s $200m will be used to develop foreign markets for US ***agricultural*** products,   he added.  This ***program*** will help our USDA ***agricultural*** exporters identify and access new markets and help mitigate the adverse the effects of other countries restrictions.

The loss of trade stemming from tariffs imposed on US products also comes at a challenging time for feed crop and ***agricultural*** producers, said Perdue . Farm incomes have decreased 50% over the last 5 ***years*** so the additional problems caused by unjustified tariffs could not have come at a worse time, he added.

The understanding of that combination sparked interest in developing a support ***program*** for ***agricultural*** producers involved with several production areas, he said.

It has been our stated goal to implement these ***programs*** right after Labor Day, on September 4, and we will achieve that the timing, he said.  These ***programs*** are tied to the actual harvest time for many crops for farmers and will be based on actual production.

The ***program*** was initially intended to be a one-time support, but any additional information on other further ***payments*** is slated to be made in later months, he said.

Support systems: determination and highlights

The US farm economy has faced challenges in recent ***years***, said Robert Johannson, chief economist at the USDA. Net farm income in real terms has been dropping since 2012  it is expected to continue to decline and borrowing has been increasing.

When we look at these illegal retaliatory tariffs we know this is coming on top of a very tight farm economy and that s the reason why these ***programs*** are essential to help mitigate the impact of the trade damages imposed by some of these countries that are imposing illegal tariffs, he said.  USDA estimates that the current impact of tariffs could be up to $12bn, as was said earlier that s defined as the value of US exports lost due to these tariffs.

The damage calculation reflects changes farmers will have from trade disruption, but is not a price effect, he said. It represents trade damages stemming from lower demand for US products and the resulting lower prices.

The market facilitation ***program*** is set to provide an income boost to producers of multiple feed and grain crops including corn, soybeans, sorghum and wheat, said Bill Northey, undersecretary for farm production and conservation with USDA. It will be administered through the farm service agency.

Initial ***payments*** for producers in the ***program*** will be calculated using 50% of production and a ***payment*** rate set for each commodity, he said. Producers have to establish their eligibility by not having an income over a set level, being in conservation compliance and will need to know total production.

***Payment*** rates [include] wheat [at] $0.14 a bushel times 50% of production for 2018, sorghum [is] $0.86 per bushel and soy is $1.65 per bushel, he said. For corn, it is $0.01 per bushel times 50% of the 2018 production and for cotton, it is $0.06 per pound times 50% of production for 2018 we will also make ***payments*** to dairy producers and pork producers.

If another ***payment*** period is announced, the remaining half of the production will be used to calculate the ***payment*** rate, according to the USDA.

***Payment*** limits for combined feed and other crops will be capped per individual or legal entity at $125,000 and a separate $125,000 cap has been set for producers of dairy and swine, said Northey. In total, ***payments*** through the ***program*** are expected to be about $4.7bn.

The food purchase and distribution ***program*** is set to buy about $1.2bn in specific commodities that have been targeted by the tariffs, said Greg Ibach, undersecretary for marketing and regulatory ***programs*** with the USDA.

The third portion of the plan, the trade promotion ***program***, sets aside funds to help develop foreign markets, said Ted McKinney, undersecretary for trade and foreign ***agricultural*** affairs. The work is designed to help producers as they interact with export markets including in areas like consumer advertising or market participation.

Industry responses

Members of the feed industry were positive about the support ***program*** as details were released.

The National Sorghum Producers thanked the USDA for providing relief for its members, and for sending a message to the international community. The group added that it appreciated the effort to address trade promotion, which could lead to the development of more lasting solutions.

Members of the American Soybean Association echoed the statement regarding support for trade promotion. Increasing funding for market development has been a top ASA priority for this ***year*** s farm bill and is even more critical given the need to find new export markets for US soy and livestock products, added John Heisdorffer, ASA president.

He said that the ***payment*** support for producers also is welcome.

This will provide a real shot in the arm for our growers, who have seen soybean prices fall by about $2 per bushel, or 20%, since events leading to the current tariff war with China began impacting markets in June, he said. This assistance will be particularly helpful to farmers who didn t forward-contract their crop earlier this ***year*** and who need to arrange financing for planting next ***year*** s crop.

**Load-Date:** August 29, 2018

**End of Document**



[***PRACTICAL REFORMS AND OTHER GOALS TO REINFORCE THE EFFECTIVENESS OF SELF-GOVERNANCE AND SELF-DETERMINATION FOR INDIAN TRIBES ACT OF 2018 (Senate - September 28, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TDF-MWN1-JDG9-Y06J-00000-00&context=1516831)

Impact News Service

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**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of ***Calendar*** No. 567, S. 2515. The ACTING PRESIDENT pro tempore. The clerk will report the bill by title. The senior assistant legislative clerk read as follows: A bill (S. 2515) to amend the Indian Self-Determination and Education Assistance Act to provide further self-governance by Indian Tribes, and for other purposes. There being no objection, the Senate proceeded to consider the bill. Mr. McCONNELL.

I ask unanimous consent that the bill be considered read the third time. The bill was ordered to be engrossed for a third reading and was read the third time. Mr. McCONNELL. I know of no further debate on the bill. The ACTING PRESIDENT pro tempore. Is there further debate? Hearing none, the question is, Shall the bill pass? The bill (S. 2515) was passed, as follows: S. 2515 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE; TABLE OF CONTENTS. (a) Short Title.--This Act may be cited as the ``Practical Reforms and Other Goals To Reinforce the Effectiveness of Self-Governance and Self-Determination for Indian Tribes Act of 2018'' or the ``PROGRESS for Indian Tribes Act''. (b) Table of Contents.--The table of contents of this Act is as follows: Sec. 1. Short title; table of contents. TITLE I--TRIBAL SELF-GOVERNANCE Sec. 101. Tribal self-governance. TITLE II--INDIAN SELF-DETERMINATION Sec. 201. Definitions; reporting and audit requirements; application of provisions. Sec. 202. Contracts by Secretary of the Interior. Sec. 203. Administrative provisions. Sec. 204. Contract funding and indirect costs. Sec. 205. Contract or grant specifications. TITLE I--TRIBAL SELF-GOVERNANCE SEC. 101. TRIBAL SELF-GOVERNANCE. (a) Effect of Provisions.--Nothing in this Act, or the amendments made by this Act, shall be construed-- (1) to modify, limit, expand, or otherwise affect-- (A) the authority of the Secretary of the Interior, as provided for under the Indian Self-Determination and Education Assistance Act (as in effect on the day before the date of enactment of this Act), regarding-- (i) the inclusion of any non-BIA ***program*** (as defined in section 401 of the Indian Self-Determination and Education Assistance Act) in a self-determination contract or funding agreement under section 403(c) of such Act (as so in effect); or (ii) the implementation of any contract or agreement described in clause (i) that is in effect on the day described in subparagraph (A); (B) the meaning, application, or effect of any Tribal water rights settlement, including the performance required of a party thereto or any ***payment*** or funding obligation thereunder; (C) the authority, jurisdiction, or responsibility of a State to manage, control, or regulate fish and wildlife under State law (including regulations) on land or water in the State, including Federal public land; (D) except for the authority provided to the Secretary as described in subparagraph (A), the applicability or effect of any Federal law related to the protection or management of fish or wildlife; or (E) any treaty-reserved right or other right of any Indian Tribe as recognized by any other means, including treaties or agreements with the United States, Executive orders, statutes, regulations, or case law; or (2) to authorize any provision of a contract or agreement that is not consistent with the terms of a Tribal water rights settlement. (b) Definitions.--Section 401 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5361) is amended to read as follows: ``SEC. 401. DEFINITIONS. ``In this title: ``(1) Compact.--The term `compact' means a self-governance compact entered into under section 404. ``(2) Construction ***program***; construction project.--The term `construction ***program***' or `construction project' means a Tribal undertaking relating to the administration, planning, environmental determination, design, construction, repair, improvement, or expansion of roads, bridges, buildings, structures, systems, or other facilities for purposes of housing, law enforcement, detention, sanitation, water supply, education, administration, community, health, irrigation, ***agriculture***, conservation, flood control, transportation, or port facilities, or for other Tribal purposes. ``(3) Department.--The term `Department' means the Department of the Interior. ``(4) Funding agreement.--The term `funding agreement' means a funding agreement entered into under section 403. ``(5) Gross mismanagement.--The term `gross mismanagement' means a significant violation, shown by a preponderance of the evidence, of a compact, funding agreement, or statutory or regulatory requirement applicable to Federal funds for a ***program*** administered by an Indian Tribe under a compact or funding agreement. ``(6) Inherent federal function.--The term `inherent Federal function' means a Federal function that may not legally be delegated to an Indian Tribe. ``(7) Non-BIA ***program***.--The term `non-BIA ***program***' means all or a portion of a ***program***, function, service, or activity that is administered by any bureau, service, office, or agency of the Department of the Interior other than-- ``(A) the Bureau of Indian Affairs; ``(B) the Office of the Assistant Secretary for Indian Affairs; or ``(C) the Office of the Special Trustee for American Indians. ``(8) ***Program***.--The term `***program***' means any ***program***, function, service, or activity (or portion thereof) within the Department that is included in a funding agreement. ``(9) Secretary.--The term `Secretary' means the Secretary of the Interior. ``(10) Self-determination contract.--The term `self- determination contract' means a self-determination contract entered into under section 102. ``(11) Self-governance.--The term `self-governance' means the Tribal Self-Governance ***Program*** established under section 402. ``(12) Tribal share.--The term `Tribal share' means the portion of all funds and resources of an Indian Tribe that-- ``(A) support any ***program*** within the Bureau of Indian Affairs, the Office of the Special Trustee for American Indians, or the Office of the Assistant Secretary for Indian Affairs; and ``(B) are not required by the Secretary for the performance of an inherent Federal function. ``(13) Tribal water rights settlement.--The term `Tribal water rights settlement' means any settlement, compact, or other agreement expressly ratified or approved by an Act of Congress that-- ``(A) includes an Indian Tribe and the United States as parties; and ``(B) quantifies or otherwise defines any water right of the Indian Tribe.''. (c) Establishment.--Section 402 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 458bb) is amended to read as follows: ``SEC. 402. TRIBAL SELF-GOVERNANCE ***PROGRAM***. ``(a) Establishment.--The Secretary shall establish and carry out a ***program*** within the Department to be known as the `Tribal Self-Governance ***Program***'. ``(b) Selection of Participating Indian Tribes.-- ``(1) In general.-- ``(A) Eligibility.--The Secretary, acting through the Director of the Office of Self-Governance, may select not more than 50 new Indian Tribes per ***year*** from those tribes eligible under subsection (c) to participate in self- governance. ``(B) Joint participation.--On the request of each participating Indian Tribe, two or more otherwise eligible Indian Tribes may be treated as a single Indian Tribe for the purpose of participating in self-governance. ``(2) Other authorized indian tribe or tribal organization.--If an Indian Tribe authorizes another Indian Tribe or a Tribal organization to plan for or carry out a ***program*** on its behalf under this title, the authorized Indian Tribe or Tribal organization shall have the rights and responsibilities of the authorizing Indian Tribe (except as otherwise provided in the authorizing resolution). ``(3) Joint participation as organization.--Two or more Indian Tribes that are not otherwise eligible under subsection (c) may be treated as a single Indian Tribe for the purpose of participating in self-governance as a Tribal organization if-- ``(A) each Indian Tribe so requests; and ``(B) the Tribal organization itself, or at least one of the Indian Tribes participating [[Page S6392]] in the Tribal organization, is eligible under subsection (c). ``(4) Tribal withdrawal from a tribal organization.-- ``(A) In general.--An Indian Tribe that withdraws from participation in a Tribal organization, in whole or in part, shall be entitled to participate in self-governance if the Indian Tribe is eligible under subsection (c). ``(B) Effect of withdrawal.--If an Indian Tribe withdraws from participation in a Tribal organization, the Indian Tribe shall be entitled to its Tribal share of funds and resources supporting the ***programs*** that the Indian Tribe is entitled to carry out under the compact and funding agreement of the Indian Tribe. ``(C) Participation in self-governance.--The withdrawal of an Indian Tribe from a Tribal organization shall not affect the eligibility of the Tribal organization to participate in self-governance on behalf of one or more other Indian Tribes, if the Tribal organization still qualifies under subsection (c). ``(D) Withdrawal process.-- ``(i) In general.--An Indian Tribe may, by Tribal resolution, fully or partially withdraw its Tribal share of any ***program*** in a funding agreement from a participating Tribal organization. ``(ii) Notification.--The Indian Tribe shall provide a copy of the Tribal resolution described in clause (i) to the Secretary. ``(iii) Effective date.-- ``(I) In general.--A withdrawal under clause (i) shall become effective on the date that is specified in the Tribal resolution and mutually agreed upon by the Secretary, the withdrawing Indian Tribe, and the Tribal organization that signed the compact and funding agreement on behalf of the withdrawing Indian Tribe or Tribal organization. ``(II) No specified date.--In the absence of a date specified in the resolution, the withdrawal shall become effective on-- ``(aa) the earlier of-- ``(AA) 1 ***year*** after the date of submission of the request; and ``(BB) the date on which the funding agreement expires; or ``(bb) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian Tribe, and the Tribal organization that signed the compact and funding agreement on behalf of the withdrawing Indian Tribe or Tribal organization. ``(E) Distribution of funds.--If an Indian Tribe or Tribal organization eligible to enter into a self-determination contract or a compact or funding agreement fully or partially withdraws from a participating Tribal organization, the withdrawing Indian Tribe-- ``(i) may elect to enter into a self-determination contract or compact, in which case-- ``(I) the withdrawing Indian Tribe or Tribal organization shall be entitled to its Tribal share of unexpended funds and resources supporting the ***programs*** that the Indian Tribe will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated to the funding agreement of the Tribal organization); and ``(II) the funds referred to in subclause (I) shall be withdrawn by the Secretary from the funding agreement of the Tribal organization and ***transferred*** to the withdrawing Indian Tribe, on the condition that sections 102 and 105(i), as appropriate, shall apply to the withdrawing Indian Tribe; or ``(ii) may elect not to enter into a self-determination contract or compact, in which case all unexpended funds and resources associated with the withdrawing Indian Tribe's returned ***programs*** (calculated on the same basis as the funds were initially allocated to the funding agreement of the Tribal organization) shall be returned by the Tribal organization to the Secretary for operation of the ***programs*** included in the withdrawal. ``(F) Return to mature contract status.--If an Indian Tribe elects to operate all or some ***programs*** carried out under a compact or funding agreement under this title through a self- determination contract under title I, at the option of the Indian Tribe, the resulting self-determination contract shall be a mature self-determination contract as long as the Indian Tribe meets the requirements set forth in section 4(h). ``(c) Eligibility.--To be eligible to participate in self- governance, an Indian Tribe shall-- ``(1) successfully complete the planning phase described in subsection (d); ``(2) request participation in self-governance by resolution or other official action by the Tribal governing body; and ``(3) demonstrate, for the 3 fiscal ***years*** preceding the date on which the Indian Tribe requests participation, financial stability and financial management capability as evidenced by the Indian Tribe having no uncorrected significant and material audit exceptions in the required annual audit of its self-determination or self-governance agreements with any Federal agency. ``(d) Planning Phase.-- ``(1) In general.--An Indian Tribe seeking to begin participation in self-governance shall complete a planning phase as provided in this subsection. ``(2) Activities.--The planning phase shall-- ``(A) be conducted to the satisfaction of the Indian Tribe; and ``(B) include-- ``(i) legal and budgetary research; and ``(ii) internal Tribal government planning, training, and organizational preparation. ``(e) Grants.-- ``(1) In general.--Subject to the availability of appropriations, an Indian Tribe or Tribal organization that meets the requirements of paragraphs (2) and (3) of subsection (c) shall be eligible for grants-- ``(A) to plan for participation in self-governance; and ``(B) to negotiate the terms of participation by the Indian Tribe or Tribal organization in self-governance, as set forth in a compact and a funding agreement. ``(2) Receipt of grant not required.--Receipt of a grant under paragraph (1) shall not be a requirement of participation in self-governance.''. (d) Funding Agreements.--Section 403 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5363) is amended-- (1) by striking subsection (a) and inserting the following: ``(a) Authorization.--The Secretary shall, on the request of any Indian Tribe or Tribal organization, negotiate and enter into a written funding agreement with the governing body of the Indian Tribe or the Tribal organization in a manner consistent with-- ``(1) the trust responsibility of the Federal Government, treaty obligations, and the government-to-government relationship between Indian Tribes and the United States; and ``(2) subsection (b).''; (2) in subsection (b)-- (A) in paragraph (1)-- (i) in the matter preceding subparagraph (A), by striking ``without regard to the agency or office of the Bureau of Indian Affairs'' and inserting ``the Office of the Assistant Secretary for Indian Affairs, and the Office of the Special Trustee for American Indians, without regard to the agency or office of that Bureau or those Offices''; (ii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting the margins of such clauses accordingly; (iii) by striking ``including any ***program***'' and inserting the following: ``including-- ``(A) any ***program***''; (iv) in subparagraph (A)-- (I) in clause (i), as redesignated by clause (ii), by striking the semicolon at the end and inserting ``; and''; and (II) in clause (ii), as so redesignated, by striking ``and'' after the semicolon; (v) by redesignating subparagraph (C) as subparagraph (B); (vi) in subparagraph (B), as redesignated by clause (v), by striking the semicolon and inserting ``; and''; and (vii) by adding at the end the following: ``(C) any other ***program***, service, function, or activity (or portion thereof) that is provided through the Bureau of Indian Affairs, the Office of the Assistant Secretary for Indian Affairs, or the Office of the Special Trustee for American Indians with respect to which Indian Tribes or Indians are primary or significant beneficiaries;''; (B) in paragraph (2)-- (i) by striking ``section 405(c)'' and inserting ``section 412(c)''; and (ii) by inserting ``and'' after the semicolon at the end; (C) in paragraph (3), by striking the semicolon at the end and inserting a period; and (D) by striking paragraphs (4) through (9); (3) in subsection (f)-- (A) in the subsection heading, by striking ``for Review''; (B) by striking ``such agreement to--'' and all that follows through ``Indian tribe'' and inserting ``such agreement to each Indian Tribe''; (C) by striking ``agreement;'' and inserting ``agreement.''; and (D) by striking paragraphs (2) and (3); and (4) by adding at the end the following: ``(m) Other Provisions.-- ``(1) Excluded funding.--A funding agreement shall not authorize an Indian Tribe to plan, conduct, administer, or receive Tribal share funding under any ***program*** that-- ``(A) is provided under the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C 1801 et seq.); or ``(B) is provided for elementary and secondary schools under the formula developed under section 1127 of the Education Amendments of 1978 (25 U.S.C 2007). ``(2) Services, functions, and responsibilities.--A funding agreement shall specify-- ``(A) the services to be provided under the funding agreement; ``(B) the functions to be performed under the funding agreement; and ``(C) the responsibilities of the Indian Tribe and the Secretary under the funding agreement. ``(3) Base budget.-- ``(A) In general.--A funding agreement shall, at the option of the Indian Tribe, provide for a stable base budget specifying the recurring funds (which may include funds available under section 106(a)) to be ***transferred*** to the Indian Tribe, for such period as the Indian Tribe specifies in the funding agreement, subject to annual adjustment only to reflect changes in congressional appropriations. ``(B) Limitations.--Notwithstanding subparagraph (A), a funding agreement shall not specify funding associated with a ***program*** described in subsection (b)(2) or (c) unless the Secretary agrees. ``(4) No waiver of trust responsibility.--A funding agreement shall prohibit the Secretary from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian [[Page S6393]] Tribes and individual Indians that exists under treaties, Executive orders, court decisions, and other laws. ``(n) Amendment.--The Secretary shall not revise, amend, or require additional terms in a new or subsequent funding agreement without the consent of the Indian Tribe, unless such terms are required by Federal law. ``(o) Effective Date.--A funding agreement shall become effective on the date specified in the funding agreement. ``(p) Existing and Subsequent Funding Agreements.-- ``(1) Subsequent funding agreements.--Absent notification from an Indian Tribe that the Indian Tribe is withdrawing or retroceding the operation of one or more ***programs*** identified in a funding agreement, or unless otherwise agreed to by the parties to the funding agreement or by the nature of any noncontinuing ***program***, service, function, or activity contained in a funding agreement-- ``(A) a funding agreement shall remain in full force and effect until a subsequent funding agreement is executed, with funding paid annually for each fiscal ***year*** the agreement is in effect; and ``(B) the term of the subsequent funding agreement shall be retroactive to the end of the term of the preceding funding agreement for the purposes of calculating the amount of funding to which the Indian Tribe is entitled. ``(2) Disputes.--Disputes over the implementation of paragraph (1)(A) shall be subject to section 406(c). ``(3) Existing funding agreements.--An Indian Tribe that was participating in self-governance under this title on the date of enactment of the PROGRESS for Indian Tribes Act shall have the option at any time after that date-- ``(A) to retain its existing funding agreement (in whole or in part) to the extent that the provisions of that funding agreement are not directly contrary to any express provision of this title; or ``(B) to negotiate a new funding agreement in a manner consistent with this title. ``(4) Multiyear funding agreements.--An Indian Tribe may, at the discretion of the Indian Tribe, negotiate with the Secretary for a funding agreement with a term that exceeds 1 ***year***.''. (e) General Revisions.--Title IV of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5304 et seq.) is amended by striking sections 404 through 408 and inserting the following: ``SEC. 404. COMPACTS. ``(a) In General.--The Secretary shall negotiate and enter into a written compact with each Indian Tribe participating in self-governance in a manner consistent with the trust responsibility of the Federal Government, treaty obligations, and the government-to-government relationship between Indian Tribes and the United States. ``(b) Contents.--A compact under subsection (a) shall-- ``(1) specify and affirm the general terms of the government-to-government relationship between the Indian Tribe and the Secretary; and ``(2) include such terms as the parties intend shall control during the term of the compact. ``(c) Amendment.--A compact under subsection (a) may be amended only by agreement of the parties. ``(d) Effective Date.--The effective date of a compact under subsection (a) shall be-- ``(1) the date of the execution of the compact by the parties; or ``(2) such date as is mutually agreed upon by the parties. ``(e) Duration.--A compact under subsection (a) shall remain in effect-- ``(1) for so long as permitted by Federal law; or ``(2) until termination by written agreement, retrocession, or reassumption. ``(f) Existing Compacts.--An Indian Tribe participating in self-governance under this title, as in effect on the date of enactment of the PROGRESS for Indian Tribes Act, shall have the option at any time after that date-- ``(1) to retain its negotiated compact (in whole or in part) to the extent that the provisions of the compact are not directly contrary to any express provision of this title; or ``(2) to negotiate a new compact in a manner consistent with this title. ``SEC. 405. GENERAL PROVISIONS. ``(a) Applicability.--An Indian Tribe and the Secretary shall include in any compact or funding agreement provisions that reflect the requirements of this title. ``(b) Conflicts of Interest.--An Indian Tribe participating in self-governance shall ensure that internal measures are in place to address, pursuant to Tribal law and procedures, conflicts of interest in the administration of ***programs***. ``(c) Audits.-- ``(1) Single agency audit act.--Chapter 75 of title 31, United States Code, shall apply to a funding agreement under this title. ``(2) Cost principles.--An Indian Tribe shall apply cost principles under the applicable Office of Management and Budget circular, except as modified by-- ``(A) any provision of law, including section 106; or ``(B) any exemptions to applicable Office of Management and Budget circulars subsequently granted by the Office of Management and Budget. ``(3) Federal claims.--Any claim by the Federal Government against an Indian Tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to section 106(f). ``(d) Redesign and Consolidation.--Except as provided in section 407, an Indian Tribe may redesign or consolidate ***programs***, or reallocate funds for ***programs***, in a compact or funding agreement in any manner that the Indian Tribe determines to be in the best interest of the Indian community being served-- ``(1) so long as the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served under applicable Federal law; and ``(2) except that, with respect to the reallocation, consolidation, and redesign of ***programs*** described in subsection (b)(2) or (c) of section 403, a joint agreement between the Secretary and the Indian Tribe shall be required. ``(e) Retrocession.-- ``(1) In general.--An Indian Tribe may fully or partially retrocede to the Secretary any ***program*** under a compact or funding agreement. ``(2) Effective date.-- ``(A) Agreement.--Unless an Indian Tribe rescinds a request for retrocession under paragraph (1), the retrocession shall become effective on the date specified by the parties in the compact or funding agreement. ``(B) No agreement.--In the absence of a specification of an effective date in the compact or funding agreement, the retrocession shall become effective on-- ``(i) the earlier of-- ``(I) 1 ***year*** after the date on which the request is submitted; and ``(II) the date on which the funding agreement expires; or ``(ii) such date as may be mutually agreed upon by the Secretary and the Indian Tribe. ``(f) Nonduplication.--A funding agreement shall provide that, for the period for which, and to the extent to which, funding is provided to an Indian Tribe under this title, the Indian Tribe-- ``(1) shall not be entitled to contract with the Secretary for funds under section 102, except that the Indian Tribe shall be eligible for new ***programs*** on the same basis as other Indian Tribes; and ``(2) shall be responsible for the administration of ***programs*** in accordance with the compact or funding agreement. ``(g) Records.-- ``(1) In general.--Unless an Indian Tribe specifies otherwise in the compact or funding agreement, records of an Indian Tribe shall not be considered to be Federal records for purposes of chapter 5 of title 5, United States Code. ``(2) Recordkeeping system.--An Indian Tribe shall-- ``(A) maintain a recordkeeping system; and ``(B) on a notice period of not less than 30 days, provide the Secretary with reasonable access to the records to enable the Department to meet the requirements of sections 3101 through 3106 of title 44, United States Code. ``SEC. 406. PROVISIONS RELATING TO THE SECRETARY. ``(a) Trust Evaluations.--A funding agreement shall include a provision to monitor the performance of trust functions by the Indian Tribe through the annual trust evaluation. ``(b) Reassumption.-- ``(1) In general.--A compact or funding agreement shall include provisions for the Secretary to reassume a ***program*** and associated funding if there is a specific finding relating to that ***program*** of-- ``(A) imminent jeopardy to a trust asset, a natural resource, or public health and safety that-- ``(i) is caused by an act or omission of the Indian Tribe; and ``(ii) arises out of a failure to carry out the compact or funding agreement; or ``(B) gross mismanagement with respect to funds ***transferred*** to an Indian Tribe under a compact or funding agreement, as determined by the Secretary in consultation with the Inspector General, as appropriate. ``(2) Prohibition.--The Secretary shall not reassume operation of a ***program***, in whole or part, unless-- ``(A) the Secretary first provides written notice and a hearing on the record to the Indian Tribe; and ``(B) the Indian Tribe does not take corrective action to remedy the mismanagement of the funds or ***programs***, or the imminent jeopardy to a trust asset, natural resource, or public health and safety. ``(3) Exception.-- ``(A) In general.--Notwithstanding paragraph (2), the Secretary may, on written notice to the Indian Tribe, immediately reassume operation of a ***program*** if-- ``(i) the Secretary makes a finding of imminent and substantial jeopardy and irreparable harm to a trust asset, a natural resource, or the public health and safety caused by an act or omission of the Indian Tribe; and ``(ii) the imminent and substantial jeopardy and irreparable harm to the trust asset, natural resource, or public health and safety arises out of a failure by the Indian Tribe to carry out the terms of an applicable compact or funding agreement. ``(B) Reassumption.--If the Secretary reassumes operation of a ***program*** under subparagraph (A), the Secretary shall provide the Indian Tribe with a hearing on the record not later than 10 days after the date of reassumption. [[Page S6394]] ``(c) Inability To Agree on Compact or Funding Agreement.-- ``(1) Final offer.--If the Secretary and a participating Indian Tribe are unable to agree, in whole or in part, on the terms of a compact or funding agreement (including funding levels), the Indian Tribe may submit a final offer to the Secretary. ``(2) Determination.--Not more than 60 days after the date of receipt of a final offer by one or more of the officials designated pursuant to paragraph (4), the Secretary shall review and make a determination with respect to the final offer, except that the 60-day period may be extended for up to 30 days for circumstances beyond the control of the Secretary, upon written request by the Secretary to the Indian tribe. ``(3) Extensions.--The deadline described in paragraph (2) may be extended for any length of time, as agreed upon by both the Indian Tribe and the Secretary. ``(4) Designated officials.-- ``(A) In general.--The Secretary shall designate one or more appropriate officials in the Department to receive a copy of the final offer described in paragraph (1). ``(B) No designation.--If no official is designated, the Director of the Office of the Executive Secretariat and Regulatory Affairs shall be the designated official. ``(5) No timely determination.--If the Secretary fails to make a determination with respect to a final offer within the period specified in paragraph (2), including any extension agreed to under paragraph (3), the Secretary shall be deemed to have agreed to the offer, except that with respect to any compact or funding agreement provision concerning a ***program*** described under section 403(c), the Secretary shall be deemed to have rejected the offer with respect to such provision and the terms of clauses (ii) through (iv) of paragraphs (6)(A) shall apply. ``(6) Rejection of final offer.-- ``(A) In general.--If the Secretary rejects a final offer (or one or more provisions or funding levels in a final offer), the Secretary shall-- ``(i) provide timely written notification to the Indian Tribe that contains a specific finding that clearly demonstrates, or that is supported by a controlling legal authority, that-- ``(I) the amount of funds proposed in the final offer exceeds the applicable funding level as determined under section 106(a)(1); ``(II) the ***program*** that is the subject of the final offer is an inherent Federal function or is subject to the discretion of the Secretary under section 403(c); ``(III) the Indian Tribe cannot carry out the ***program*** in a manner that would not result in significant danger or risk to the public health or safety, to natural resources, or to trust resources; ``(IV) the Indian Tribe is not eligible to participate in self-governance under section 402(c); ``(V) the funding agreement would violate a Federal statute or regulation; or ``(VI) with respect to a ***program*** or portion of a ***program*** included in a final offer pursuant to section 403(b)(2), the ***program*** or the portion of the ***program*** is not otherwise available to Indian Tribes or Indians under section 102(a)(1)(E); ``(ii) provide technical assistance to overcome the objections stated in the notification required by clause (i); ``(iii) provide the Indian Tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter, and the opportunity for appeal on the objections raised, except that the Indian Tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a United States district court under section 110(a); and ``(iv) provide the Indian Tribe the option of entering into the severable portions of a final proposed compact or funding agreement (including a lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions. ``(B) Effect of exercising certain option.--If an Indian Tribe exercises the option specified in subparagraph (A)(iv)-- ``(i) the Indian Tribe shall retain the right to appeal the rejection by the Secretary under this section; and ``(ii) clauses (i), (ii), and (iii) of subparagraph (A) shall apply only to the portion of the proposed final compact or funding agreement that was rejected by the Secretary. ``(d) Burden of Proof.--In any administrative action, hearing, appeal, or civil action brought under this section, the Secretary shall have the burden of proof-- ``(1) of demonstrating, by a preponderance of the evidence, the validity of the grounds for a reassumption under subsection (b); and ``(2) of clearly demonstrating the validity of the grounds for rejecting a final offer made under subsection (c). ``(e) Good Faith.-- ``(1) In general.--In the negotiation of compacts and funding agreements, the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. ``(2) Policy.--The Secretary shall carry out this title in a manner that maximizes the policy of Tribal self-governance. ``(f) Savings.-- ``(1) In general.--To the extent that ***programs*** carried out for the benefit of Indian Tribes and Tribal organizations under this title reduce the administrative or other responsibilities of the Secretary with respect to the operation of Indian ***programs*** and result in savings that have not otherwise been included in the amount of Tribal shares and other funds determined under section 408(c), except for funding agreements entered into for ***programs*** under section 403(c), the Secretary shall make such savings available to the Indian Tribes or Tribal organizations for the provision of additional services to ***program*** beneficiaries in a manner equitable to directly served, contracted, and compacted ***programs***. ``(2) Discretionary ***programs*** of special significance.--For any savings generated as a result of the assumption of a ***program*** by an Indian Tribe under section 403(c), such savings shall be made available to that Indian Tribe. ``(g) Trust Responsibility.--The Secretary may not waive, modify, or diminish in any way the trust responsibility of the United States with respect to Indian Tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions. ``(h) Decision Maker.--A decision that constitutes final agency action and relates to an appeal within the Department conducted under subsection (c)(6)(A)(iii) may be made by-- ``(1) an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or ``(2) an administrative law judge. ``(i) Rules of Construction.--Subject to section 101(a) of the PROGRESS for Indian Tribes Act, each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian Tribe participating in self-governance, and any ambiguity shall be resolved in favor of the Indian Tribe. ``SEC. 407. CONSTRUCTION ***PROGRAMS*** AND PROJECTS. ``(a) In General.--Indian Tribes participating in Tribal self-governance may carry out any construction project included in a compact or funding agreement under this title. ``(b) Tribal Option To Carry Out Certain Federal Environmental Activities.--In carrying out a construction project under this title, an Indian Tribe may, subject to the agreement of the Secretary, elect to assume some Federal responsibilities under the National Environmental Policy Act of 1969 (42 U.S.C 4321 et seq.), division A of subtitle III of title 54, United States Code, and related provisions of other law and regulations that would apply if the Secretary were to undertake a construction project, by adopting a resolution-- ``(1) designating a certifying Tribal officer to represent the Indian Tribe and to assume the status of a responsible Federal official under those Acts, laws, or regulations; and ``(2) accepting the jurisdiction of the United States courts for the purpose of enforcing the responsibilities of the certifying Tribal officer assuming the status of a responsible Federal official under those Acts, laws, or regulations. ``(c) Savings Clause.--Notwithstanding subsection (b), nothing in this section authorizes the Secretary to include in any compact or funding agreement duties of the Secretary under the National Environmental Policy Act (42 U.S.C 4321 et seq.), the National Historic Preservation Act (16 U.S.C 470 et seq.), and other related provisions of law that are inherent Federal functions. ``(d) Codes and Standards.--In carrying out a construction project under this title, an Indian Tribe shall-- ``(1) adhere to applicable Federal, State, local, and Tribal building codes, architectural and engineering standards, and applicable Federal guidelines regarding design, space, and operational standards, appropriate for the particular project; and ``(2) use only architects and engineers who-- ``(A) are licensed to practice in the State in which the facility will be built; and ``(B) certify that-- ``(i) they are qualified to perform the work required by the specific construction involved; and ``(ii) upon completion of design, the plans and specifications meet or exceed the applicable construction and safety codes. ``(e) Tribal Accountability.-- ``(1) In general.--In carrying out a construction project under this title, an Indian Tribe shall assume responsibility for the successful completion of the construction project and of a facility that is usable for the purpose for which the Indian Tribe received funding. ``(2) Requirements.--For each construction project carried out by an Indian Tribe under this title, the Indian Tribe and the Secretary shall negotiate a provision to be included in the funding agreement that identifies-- ``(A) the approximate start and completion dates for the project, which may extend over a period of one or more ***years***; ``(B) a general description of the project, including the scope of work, references to design criteria, and other terms and conditions; ``(C) the responsibilities of the Indian Tribe and the Secretary for the project; ``(D) how project-related environmental considerations will be addressed; ``(E) the amount of funds provided for the project; [[Page S6395]] ``(F) the obligations of the Indian Tribe to comply with the codes referenced in subsection (d)(1) and applicable Federal laws and regulations; ``(G) the agreement of the parties over who will bear any additional costs necessary to meet changes in scope, or errors or omissions in design and construction; and ``(H) the agreement of the Secretary to issue a certificate of occupancy, if requested by the Indian Tribe, based upon the review and verification by the Secretary, to the satisfaction of the Secretary, that the Indian Tribe has secured upon completion the review and approval of the plans and specifications, sufficiency of design, life safety, and code compliance by qualified, licensed, and independent architects and engineers. ``(f) Funding.-- ``(1) In general.--Funding appropriated for construction projects carried out under this title shall be included in funding agreements as annual or semiannual advance ***payments*** at the option of the Indian Tribe. ``(2) Advance ***payments***.--The Secretary shall include all associated project contingency funds with each advance ***payment***, and the Indian Tribe shall be responsible for the management of such contingency funds. ``(g) Negotiations.--At the option of the Indian Tribe, construction project funding proposals shall be negotiated pursuant to the statutory process in section 105, and any resulting construction project agreement shall be incorporated into the funding agreement as addenda. ``(h) Federal Review and Verification.-- ``(1) In general.--On a schedule negotiated by the Secretary and the Indian Tribe-- ``(A) the Secretary shall review and verify, to the satisfaction of the Secretary, that project planning and design documents prepared by the Indian Tribe in advance of initial construction are in conformity with the obligations of the Indian Tribe under subsection (d); and ``(B) before the project planning and design documents are implemented, the Secretary shall review and verify to the satisfaction of the Secretary that subsequent document amendments which result in a significant change in construction are in conformity with the obligations of the Indian Tribe under subsection (d). ``(2) Reports.--The Indian Tribe shall provide the Secretary with project progress and financial reports not less than semiannually. ``(3) Oversight visits.--The Secretary may conduct onsite project oversight visits semiannually or on an alternate schedule agreed to by the Secretary and the Indian Tribe. ``(i) Application of Other Laws.--Unless otherwise agreed to by the Indian Tribe and except as otherwise provided in this Act, no provision of title 41, United States Code, the Federal Acquisition Regulation, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction ***program*** or project carried out under this title. ``(j) Future Funding.--Upon completion of a facility constructed under this title, the Secretary shall include the facility among those eligible for annual operation and maintenance funding support comparable to that provided for similar facilities funded by the Department as annual appropriations are available and to the extent that the facility size and complexity and other factors do not exceed the funding formula criteria for comparable buildings. ``SEC. 408. ***PAYMENT***. ``(a) In General.--At the request of the governing body of an Indian Tribe and under the terms of an applicable funding agreement, the Secretary shall provide funding to the Indian Tribe to carry out the funding agreement. ``(b) Advance Annual ***Payment***.--At the option of the Indian Tribe, a funding agreement shall provide for an advance annual ***payment*** to an Indian Tribe. ``(c) Amount.-- ``(1) In general.--Subject to subsection (e) and sections 403 and 405, the Secretary shall provide funds to the Indian Tribe under a funding agreement for ***programs*** in an amount that is equal to the amount that the Indian Tribe would have been entitled to receive under contracts and grants under this Act (including amounts for direct ***program*** and contract support costs and, in addition, any funds that are specifically or functionally related to the provision by the Secretary of services and benefits to the Indian Tribe or its members) without regard to the organization level within the Department at which the ***programs*** are carried out. ``(2) Savings clause.--Nothing in this section reduces ***programs***, services, or funds of, or provided to, another Indian Tribe. ``(d) Timing.-- ``(1) In general.--Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall ***transfer*** to the Indian Tribe all funds provided for in the funding agreement, pursuant to subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolution. ``(2) ***Transfers***.--Not later than 1 ***year*** after the date of enactment of the PROGRESS for Indian Tribes Act, in any instance in which a funding agreement requires an annual ***transfer*** of funding to be made at the beginning of a fiscal ***year*** or requires semiannual or other periodic ***transfers*** of funding to be made commencing at the beginning of a fiscal ***year***, the first such ***transfer*** shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise. ``(e) Availability.--Funds for trust services to individual Indians shall be available under a funding agreement only to the extent that the same services that would have been provided by the Secretary are provided to individual Indians by the Indian Tribe. ``(f) Multiyear Funding.--A funding agreement may provide for multiyear funding. ``(g) Limitations on Authority of the Secretary.--The Secretary shall not-- ``(1) fail to ***transfer*** to an Indian Tribe its full share of any central, headquarters, regional, area, or service unit office or other funds due under this title for ***programs*** eligible under paragraph (1) or (2) of section 403(b), except as required by Federal law; ``(2) withhold any portion of such funds for ***transfer*** over a period of ***years***; or ``(3) reduce the amount of funds required under this title-- ``(A) to make funding available for self-governance monitoring or administration by the Secretary; ``(B) in subsequent ***years***, except as necessary as a result of-- ``(i) a reduction in appropriations from the previous fiscal ***year*** for the ***program*** to be included in a compact or funding agreement; ``(ii) a congressional directive in legislation or an accompanying report; ``(iii) a Tribal authorization; ``(iv) a change in the amount of pass-through funds subject to the terms of the funding agreement; or ``(v) completion of an activity under a ***program*** for which the funds were provided; ``(C) to pay for Federal functions, including-- ``(i) Federal pay costs; ``(ii) Federal employee retirement benefits; ``(iii) automated data processing; ``(iv) technical assistance; and ``(v) monitoring of activities under this title; or ``(D) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self- governance under this title. ``(h) Federal Resources.--If an Indian Tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation, including the use of interagency motor pool vehicles), or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), the Secretary shall, as soon as practicable, acquire and ***transfer*** such personnel, supplies, or resources to the Indian Tribe under this title. ``(i) Prompt ***Payment*** Act.--Chapter 39 of title 31, United States Code, shall apply to the ***transfer*** of funds due under a compact or funding agreement authorized under this title. ``(j) Interest or Other Income.-- ``(1) In general.--An Indian Tribe may retain interest or income earned on any funds paid under a compact or funding agreement to carry out governmental purposes. ``(2) No effect on other amounts.--The retention of interest or income under paragraph (1) shall not diminish the amount of funds an Indian Tribe is entitled to receive under a funding agreement in the ***year*** the interest or income is earned or in any subsequent fiscal ***year***. ``(3) Investment standard.--Funds ***transferred*** under this title shall be managed by the Indian Tribe using the prudent investment standard, provided that the Secretary shall not be liable for any investment losses of funds managed by the Indian Tribe that are not otherwise guaranteed or insured by the Federal Government. ``(k) Carryover of Funds.-- ``(1) In general.--Notwithstanding any provision of an appropriations Act, all funds paid to an Indian Tribe in accordance with a compact or funding agreement shall remain available until expended. ``(2) Effect of carryover.--If an Indian Tribe elects to carry over funding from one ***year*** to the next, the carryover shall not diminish the amount of funds the Indian Tribe is entitled to receive under a funding agreement in that fiscal ***year*** or any subsequent fiscal ***year***. ``(l) Limitation of Costs.-- ``(1) In general.--An Indian Tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds ***transferred*** under a compact or funding agreement. ``(2) Notice of insufficiency.--If at any time the Indian Tribe has reason to believe that the total amount provided for a specific activity under a compact or funding agreement is insufficient, the Indian Tribe shall provide reasonable notice of such insufficiency to the Secretary. ``(3) Suspension of performance.--If, after notice under paragraph (2), the Secretary does not increase the amount of funds ***transferred*** under the funding agreement, the Indian Tribe may suspend performance of the activity until such time as additional funds are ***transferred***. ``(4) Savings clause.--Nothing in this section reduces any ***programs***, services, or funds of, or provided to, another Indian Tribe. ``(m) Distribution of Funds.--The Office of Self-Governance shall be responsible for distribution of all Bureau of Indian Affairs [[Page S6396]] funds provided under this title unless otherwise agreed by the parties to an applicable funding agreement. ``(n) Applicability.--Notwithstanding any other provision of this section, section 101(a) of the PROGRESS for Indian Tribes Act applies to subsections (a) through (m). ``SEC. 409. FACILITATION. ``(a) In General.--Except as otherwise provided by law (including section 101(a) of the PROGRESS for Indian Tribes Act), the Secretary shall interpret each Federal law and regulation in a manner that facilitates-- ``(1) the inclusion of ***programs*** in funding agreements; and ``(2) the implementation of funding agreements. ``(b) Regulation Waiver.-- ``(1) Request.--An Indian Tribe may submit to the Secretary a written request for a waiver of applicability of a Federal regulation, including-- ``(A) an identification of the specific text in the regulation sought to be waived; and ``(B) the basis for the request. ``(2) Determination by the secretary.--Not later than 120 days after receipt by the Secretary and the designated officials under paragraph (4) of a request under paragraph (1), the Secretary shall approve or deny the requested waiver in writing to the Indian Tribe. ``(3) Extensions.--The deadline described in paragraph (2) may be extended for any length of time, as agreed upon by both the Indian Tribe and the Secretary. ``(4) Designated officials.--The Secretary shall designate one or more appropriate officials in the Department to receive a copy of the waiver request described in paragraph (1). ``(5) Grounds for denial.--The Secretary may deny a request under paragraph (1) upon a specific finding by the Secretary that the identified text in the regulation may not be waived because such a waiver is prohibited by Federal law. ``(6) Failure to make determination.--If the Secretary fails to make a determination with respect to a waiver request within the period specified in paragraph (2) (including any extension agreed to under paragraph (3)), the Secretary shall be deemed to have agreed to the request, except that for a waiver request relating to ***programs*** eligible under section 403(b)(2) or section 403(c), the Secretary shall be deemed to have denied the request. ``(7) Finality.--A decision of the Secretary under this section shall be final for the Department. ``SEC. 410. DISCRETIONARY APPLICATION OF OTHER SECTIONS. ``(a) In General.--Except as otherwise provided in section 201(d) of the PROGRESS for Indian Tribes Act, at the option of a participating Indian Tribe or Indian Tribes, any of the provisions of title I may be incorporated in any compact or funding agreement under this title. The inclusion of any such provision shall be subject to, and shall not conflict with, section 101(a) of such Act. ``(b) Effect.--Each incorporated provision under subsection (a) shall-- ``(1) have the same force and effect as if set out in full in this title; ``(2) supplement or replace any related provision in this title; and ``(3) apply to any agency otherwise governed by this title. ``(c) Effective Date.--If an Indian Tribe requests incorporation at the negotiation stage of a compact or funding agreement, the incorporation shall-- ``(1) be effective immediately; and ``(2) control the negotiation and resulting compact and funding agreement. ``SEC. 411. ANNUAL BUDGET LIST. ``The Secretary shall list, in the annual budget request submitted to Congress under section 1105 of title 31, United States Code, any funds proposed to be included in funding agreements authorized under this title. ``SEC. 412. REPORTS. ``(a) In General.-- ``(1) Requirement.--On January 1 of each ***year***, the Secretary shall submit to Congress a report regarding the administration of this title. ``(2) Analysis.--Any Indian Tribe may submit to the Office of Self-Governance and to the appropriate committees of Congress a detailed annual analysis of unmet Tribal needs for funding agreements under this title. ``(b) Contents.--The report under subsection (a)(1) shall-- ``(1) be compiled from information contained in funding agreements, annual audit reports, and data of the Secretary regarding the disposition of Federal funds; ``(2) identify-- ``(A) the relative costs and benefits of self-governance; ``(B) with particularity, all funds that are specifically or functionally related to the provision by the Secretary of services and benefits to self-governance Indian Tribes and members of Indian Tribes; ``(C) the funds ***transferred*** to each Indian Tribe and the corresponding reduction in the Federal employees and workload; and ``(D) the funding formula for individual Tribal shares of all Central Office funds, together with the comments of affected Indian Tribes, developed under subsection (d); ``(3) before being submitted to Congress, be distributed to the Indian Tribes for comment (with a comment period of not less than 30 days); ``(4) include the separate views and comments of each Indian Tribe or Tribal organization; and ``(5) include a list of-- ``(A) all such ***programs*** that the Secretary determines, in consultation with Indian Tribes participating in self- governance, are eligible for negotiation to be included in a funding agreement at the request of a participating Indian Tribe; and ``(B) all such ***programs*** which Indian Tribes have formally requested to include in a funding agreement under section 403(c) due to the special geographic, historical, or cultural significance of the ***program*** to the Indian Tribe, indicating whether each request was granted or denied, and stating the grounds for any denial. ``(c) Report on Non-BIA ***Programs***.-- ``(1) In general.--In order to optimize opportunities for including non-BIA ***programs*** in agreements with Indian Tribes participating in self-governance under this title, the Secretary shall review all ***programs*** administered by the Department, other than through the Bureau of Indian Affairs, the Office of the Assistant Secretary for Indian Affairs, or the Office of the Special Trustee for American Indians, without regard to the agency or office concerned. ``(2) Programmatic targets.--The Secretary shall establish programmatic targets, after consultation with Indian Tribes participating in self-governance, to encourage bureaus of the Department to ensure that an appropriate portion of those ***programs*** are available to be included in funding agreements. ``(3) Publication.--The lists under subsection (b)(5) and targets under paragraph (2) shall be published in the Federal Register and made available to any Indian Tribe participating in self-governance. ``(4) Annual review.-- ``(A) In general.--The Secretary shall annually review and publish in the Federal Register, after consultation with Indian Tribes participating in self-governance, revised lists and programmatic targets. ``(B) Contents.--In preparing the revised lists and programmatic targets, the Secretary shall consider all ***programs*** that were eligible for contracting in the original list published in the Federal Register in 1995, except for ***programs*** specifically determined not to be contractible as a matter of law. ``(d) Report on Central Office Funds.--Not later than January 1, 2019, the Secretary shall, in consultation with Indian Tribes, develop a funding formula to determine the individual Tribal share of funds controlled by the Central Office of the Bureau of Indian Affairs and the Office of the Special Trustee for inclusion in the compacts. ``SEC. 413. REGULATIONS. ``(a) In General.-- ``(1) Promulgation.--Not later than 90 days after the date of enactment of the PROGRESS for Indian Tribes Act, the Secretary shall initiate procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate such regulations as are necessary to carry out this title. ``(2) Publication of proposed regulations.--Proposed regulations to implement this title shall be published in the Federal Register not later than 21 months after the date of enactment of the PROGRESS for Indian Tribes Act. ``(3) Expiration of authority.--The authority to promulgate regulations under paragraph (1) shall expire on the date that is 30 months after the date of enactment of the PROGRESS for Indian Tribes Act. ``(b) Committee.-- ``(1) Membership.--A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this section shall have as its members only representatives of the Federal Government and Tribal government. ``(2) Lead agency.--Among the Federal representatives described in paragraph (1), the Office of Self-Governance shall be the lead agency for the Department. ``(c) Adaptation of Procedures.--The Secretary shall adapt the negotiated rulemaking procedures to the unique context of self-governance and the government-to-government relationship between the United States and Indian Tribes. ``(d) Effect.-- ``(1) Repeal.--The Secretary may repeal any regulation that is inconsistent with this Act. ``(2) Conflicting provisions.--Subject to section 101(a) of the PROGRESS for Indian Tribes Act and except with respect to ***programs*** described under section 403(c), this title shall supersede any conflicting provision of law (including any conflicting regulations). ``(3) Effectiveness without regard to regulations.--The lack of promulgated regulations on an issue shall not limit the effect or implementation of this title. ``SEC. 414. EFFECT OF CIRCULARS, POLICIES, MANUALS, GUIDANCE, AND RULES. ``Unless expressly agreed to by a participating Indian Tribe in a compact or funding agreement, the participating Indian Tribe shall not be subject to any agency circular, policy, manual, guidance, or rule adopted by the Department, except for-- ``(1) the eligibility provisions of section 105(g); and ``(2) regulations promulgated pursuant to section 413. ``SEC. 415. APPEALS. ``Except as provided in section 406(d), in any administrative action, appeal, or civil action for judicial review of any decision [[Page S6397]] made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by a preponderance of the evidence-- ``(1) the validity of the grounds for the decision; and ``(2) the consistency of the decision with the requirements and policies of this title. ``SEC. 416. APPLICATION OF OTHER PROVISIONS. ``Section 314 of the Department of the Interior and Related Agencies Appropriations Act, 1991 (Public Law 101-512; 104 Stat. 1959), shall apply to compacts and funding agreements entered into under this title. ``SEC. 417. AUTHORIZATION OF APPROPRIATIONS. ``There are authorized to be appropriated such sums as may be necessary to carry out this title.''. TITLE II--INDIAN SELF-DETERMINATION SEC. 201. DEFINITIONS; REPORTING AND AUDIT REQUIREMENTS; APPLICATION OF PROVISIONS. (a) Definitions.-- (1) In general.--Section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5304) is amended by striking subsection (j) and inserting the following: ``(j) `self-determination contract' means a contract entered into under title I (or a grant or cooperative agreement used under section 9) between a Tribal organization and the appropriate Secretary for the planning, conduct, and administration of ***programs*** or services that are otherwise provided to Indian Tribes and members of Indian Tribes pursuant to Federal law, subject to the condition that, except as provided in section 105(a)(3), no contract entered into under title I (or grant or cooperative agreement used under section 9) shall be-- ``(1) considered to be a procurement contract; or ``(2) except as provided in section 107(a)(1), subject to any Federal procurement law (including regulations);''. (2) Technical amendments.--Section 4 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5304), as amended by paragraph (1), is further amended-- (A) in subsection (e), by striking `` `Indian tribe' means'' and inserting `` `Indian tribe' or `Indian Tribe' means''; and (B) in subsection (l), by striking `` `tribal organization' means'' and inserting `` `Tribal organization' or `tribal organization' means''. (b) Reporting and Audit Requirements.--Section 5 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5305) is amended-- (1) in subsection (b)-- (A) by striking ``after completion of the project or undertaking referred to in the preceding subsection of this section'' and inserting ``after the retention period for the report that is submitted to the Secretary under subsection (a)''; and (B) by adding at the end the following: ``The retention period shall be defined in regulations promulgated by the Secretary pursuant to section 413.''; and (2) in subsection (f)(1), by inserting ``if the Indian Tribal organization expends $500,000 or more in Federal awards during such fiscal ***year***'' after ``under this Act,''. (c) Effective Date.--The amendment made by subsection (b)(2) shall not take effect until 14 months after the date of enactment of this Act. (d) Application of Other Provisions.--Sections 4, 5, 6, 7, 102(c), 104, 105(a)(1), 105(f), 110, and 111 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5304, 5305, 5306, 5307, 5321(c), 5323, 5324(a)(1), 5324(f), 5331, and 5332) and section 314 of the Department of the Interior and Related Agencies Appropriations Act, 1991 (Public Law 101-512; 104 Stat. 1959), apply to compacts and funding agreements entered into under title IV of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5361 et seq.). SEC. 202. CONTRACTS BY SECRETARY OF THE INTERIOR. Section 102 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5321) is amended-- (1) in subsection (c)(2), by striking ``economic enterprises'' and all that follows through ``except that'' and inserting ``economic enterprises (as defined in section 3 of the Indian Financing Act of 1974 (25 U.S.C 1452)), except that''; and (2) by adding at the end the following: ``(f) Good Faith Requirement.--In the negotiation of contracts and funding agreements, the Secretary shall-- ``(1) at all times negotiate in good faith to maximize implementation of the self-determination policy; and ``(2) carry out this Act in a manner that maximizes the policy of Tribal self-determination, in a manner consistent with-- ``(A) the purposes specified in section 3; and ``(B) the PROGRESS for Indian Tribes Act. ``(g) Rule of Construction.--Subject to section 101(a) of the PROGRESS for Indian Tribes Act, each provision of this Act and each provision of a contract or funding agreement shall be liberally construed for the benefit of the Indian Tribe participating in self-determination, and any ambiguity shall be resolved in favor of the Indian Tribe.''. SEC. 203. ADMINISTRATIVE PROVISIONS. Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5324) is amended-- (1) in subsection (b), in the first sentence, by striking ``pursuant to'' and all that follows through ``of this Act'' and inserting ``pursuant to sections 102 and 103''; and (2) by adding at the end the following: ``(p) Interpretation by Secretary.--Except as otherwise provided by law, the Secretary shall interpret all Federal laws (including regulations) and Executive orders in a manner that facilitates, to the maximum extent practicable-- ``(1) the inclusion in self-determination contracts and funding agreements of-- ``(A) applicable ***programs***, services, functions, and activities (or portions thereof); and ``(B) funds associated with those ***programs***, services, functions, and activities; ``(2) the implementation of self-determination contracts and funding agreements; and ``(3) the achievement of Tribal health objectives. ``(q)(1) Technical Assistance for Internal Controls.--In considering proposals for, amendments to, or in the course of, a contract under this title and compacts under titles IV and V of this Act, if the Secretary determines that the Indian Tribe lacks adequate internal controls necessary to manage the contracted ***program*** or ***programs***, the Secretary shall, as soon as practicable, provide the necessary technical assistance to assist the Indian Tribe in developing adequate internal controls. As part of that technical assistance, the Secretary and the Tribe shall develop a plan for assessing the subsequent effectiveness of such technical assistance. The inability of the Secretary to provide technical assistance or lack of a plan under this subsection shall not result in the reassumption of an existing agreement, contract, or compact, or declination or rejection of a new agreement, contract, or compact. ``(2) The Secretary shall prepare a report to be included in the information required for the reports under sections 405(b)(1) and 514(b)(2)(A). The Secretary shall include in this report, in the aggregate, a description of the internal controls that were inadequate, the technical assistance provided, and a description of Secretarial actions taken to address any remaining inadequate internal controls after the provision of technical assistance and implementation of the plan required by paragraph (1).''. SEC. 204. CONTRACT FUNDING AND INDIRECT COSTS. Section 106(a)(3) of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5325(a)(3)) is amended-- (1) in subparagraph (A)-- (A) in clause (i), by striking ``, and'' and inserting ``; and''; and (B) in clause (ii), by striking ``expense related to the overhead incurred'' and inserting ``expense incurred by the governing body of the Indian Tribe or Tribal organization and any overhead expense incurred''; (2) by redesignating subparagraph (B) as subparagraph (C); and (3) by inserting after subparagraph (A) the following: ``(B) In calculating the reimbursement rate for expenses described in subparagraph (A)(ii), not less than 50 percent of the expenses described in subparagraph (A)(ii) that are incurred by the governing body of an Indian Tribe or Tribal organization relating to a Federal ***program***, function, service, or activity carried out pursuant to the contract shall be considered to be reasonable and allowable.''. SEC. 205. CONTRACT OR GRANT SPECIFICATIONS. Section 108 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5329) is amended-- (1) in subsection (a)(2), by inserting ``subject to subsections (a) and (b) of section 102,'' before ``contain''; (2) in subsection (f)(2)(A)(ii) of the model agreement contained in subsection (c), by inserting ``subject to subsections (a) and (b) of section 102 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5321),'' before ``such other provisions''; and (3) in subsection (b)(7)(C) of the model agreement contained in subsection (c), in the second sentence of the matter preceding clause (i), by striking ``one performance monitoring visit'' and inserting ``two performance monitoring visits''. Mr. McCONNELL. Mr. President, I ask unanimous consent that the motion to reconsider be considered made and laid upon the table. The PRESIDING OFFICER. Without objection, it is so ordered.

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[***CONFERENCE REPORT ON H.R 5895, ENERGY AND WATER, LEGISLATIVE BRANCH, AND MILITARY CONSTRUCTION AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2019 (House of Representatives - September 10, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S8P-GPK1-JDG9-Y4RK-00000-00&context=1516831)

Impact News Service

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Washington: The Library of Congress, The Government  of USA has issued the following house proceeding:

 CONFERENCE REPORT ON H.R 5895, ENERGY AND WATER, LEGISLATIVE BRANCH, AND MILITARY CONSTRUCTION AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2019 Mr. SIMPSON submitted the following conference report and statement on the bill (H.R 5895) making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes: Conference Report (H. Rept. 115-929) The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R      5895), making appropriations for the energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019''. SEC. 2. TABLE OF CONTENTS. The table of contents of this Act is as follows: Sec. 1. Short title.

Sec. 2. Table of contents. Sec. 3. References. Sec. 4. Statement of appropriations. DIVISION A--ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 Title I--Corps of Engineers--Civil Title II--Department of the Interior Title III--Department of Energy Title IV--Independent Agencies Title V--General Provisions DIVISION B--LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2019 Title I--Legislative Branch Title II--General Provisions DIVISION C--MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 Title I--Department of Defense Title II--Department of Veterans Affairs Title III--Related Agencies Title IV--Overseas Contingency Operations Title V--General Provisions SEC. 3. REFERENCES. Except as expressly provided otherwise, any reference to ``this Act'' contained in any division of this Act shall be treated as referring only to the provisions of that division. SEC. 4. STATEMENT OF APPROPRIATIONS. The following sums in this Act are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal ***year*** ending September 30, 2019. DIVISION A--ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 TITLE I CORPS OF ENGINEERS--CIVIL DEPARTMENT OF THE ARMY Corps of Engineers--Civil The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to river and harbor, flood and storm damage reduction, shore protection, aquatic ecosystem restoration, and related efforts. investigations For expenses necessary where authorized by law for the collection and study of basic information pertaining to river and harbor, flood and storm damage reduction, shore protection, aquatic ecosystem restoration, and related needs; for surveys and detailed studies, and plans and specifications of proposed river and harbor, flood and storm damage reduction, shore protection, and aquatic ecosystem restoration projects, and related efforts prior to construction; for restudy of authorized projects; and for miscellaneous investigations, and, when authorized by law, surveys and detailed studies, and plans and specifications of projects prior to construction, $125,000,000, to remain available until expended: Provided, That the Secretary shall initiate six new study starts during fiscal ***year*** 2019: Provided further, That the Secretary shall not deviate from the new starts proposed in the work plan, once the plan has been submitted to the Committees on Appropriations of both Houses of Congress. construction For expenses necessary for the construction of river and harbor, flood and storm damage reduction, shore protection, aquatic ecosystem restoration, and related projects authorized by law; for conducting detailed studies, and plans and specifications, of such projects (including those involving participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such detailed studies, and plans and specifications, shall not constitute a commitment of the Government to construction); $2,183,000,000, to remain available until expended; of which such sums as are necessary to cover the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities ***program*** shall be derived from the Harbor Maintenance Trust Fund as authorized by Public Law 104-303; and of which such sums as are necessary to cover one-half of the costs of construction, replacement, rehabilitation, and expansion of inland waterways projects, except for Chickamauga Lock, Tennessee River, Tennessee, which shall be 15 percent during the fiscal ***year*** covered by this Act, shall be derived from the Inland Waterways Trust Fund, except as otherwise specifically provided for in law: Provided, That the Secretary shall initiate five new construction starts during fiscal ***year*** 2019: Provided further, That for new construction projects, project cost sharing agreements shall be executed as soon as practicable but no later than September 30, 2019: Provided further, That no allocation for a new start shall be considered final and no work allowance shall be made until the Secretary provides to the Committees on Appropriations of both Houses of Congress an out-***year*** funding scenario demonstrating the affordability of the selected new starts and the impacts on other projects: Provided further, That the Secretary may not deviate from the new starts proposed in the work plan, once the plan has been submitted to the Committees on Appropriations of both Houses of Congress. mississippi river and tributaries For expenses necessary for flood damage reduction projects and related efforts in the Mississippi River alluvial valley below Cape Girardeau, Missouri, as authorized by law, $368,000,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of eligible operation and maintenance costs for inland harbors shall be derived from the Harbor Maintenance Trust Fund. operation and maintenance For expenses necessary for the operation, maintenance, and care of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects authorized by law; providing security for infrastructure owned or operated by the Corps, including administrative buildings and laboratories; maintaining harbor channels provided by a State, municipality, or other public agency that serve essential navigation needs of general commerce, where authorized by law; surveying and charting northern and northwestern lakes and connecting waters; clearing and straightening channels; and removing obstructions to navigation, $3,739,500,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of eligible operation and maintenance costs for coastal harbors and channels, and for inland harbors shall be derived from the Harbor Maintenance Trust Fund; of which such sums as become available from the special account for the Corps of Engineers established by the Land and Water Conservation Fund Act of 1965 shall be derived from that account for resource protection, research, interpretation, and maintenance activities related to resource protection in the areas at which outdoor recreation is available; and of which such sums as become available from fees collected under section 217 of Public Law 104-303 shall be used to cover the cost of operation and maintenance of the dredged material disposal facilities for which such fees have been collected: Provided, That 1 percent of the total amount of funds provided for each of the ***programs***, projects, or activities funded under this heading shall not be allocated to a field operating activity prior to the beginning of the fourth quarter of the fiscal ***year*** and shall be available for use by the Chief of Engineers to fund such emergency activities as the Chief of Engineers determines to be necessary and appropriate, and that the Chief of Engineers shall allocate during the fourth quarter any remaining funds which have not been used for emergency activities proportionally in accordance with the amounts provided for the ***programs***, projects, or activities. regulatory ***program*** For expenses necessary for administration of laws pertaining to regulation of navigable [[Page H7947]] waters and wetlands, $200,000,000, to remain available until September 30, 2020. formerly utilized sites remedial action ***program*** For expenses necessary to clean up contamination from sites in the United States resulting from work performed as part of the Nation's early atomic energy ***program***, $150,000,000, to remain available until expended. flood control and coastal emergencies For expenses necessary to prepare for flood, hurricane, and other natural disasters and support emergency operations, repairs, and other activities in response to such disasters as authorized by law, $35,000,000, to remain available until expended. expenses For expenses necessary for the supervision and general administration of the civil works ***program*** in the headquarters of the Corps of Engineers and the offices of the Division Engineers; and for costs of management and operation of the Humphreys Engineer Center Support Activity, the Institute for Water Resources, the United States Army Engineer Research and Development Center, and the United States Army Corps of Engineers Finance Center allocable to the civil works ***program***, $193,000,000, to remain available until September 30, 2020, of which not to exceed $5,000 may be used for official reception and representation purposes and only during the current fiscal ***year***: Provided, That no part of any other appropriation provided in this title shall be available to fund the civil works activities of the Office of the Chief of Engineers or the civil works executive direction and management activities of the division offices: Provided further, That any Flood Control and Coastal Emergencies appropriation may be used to fund the supervision and general administration of emergency operations, repairs, and other activities in response to any flood, hurricane, or other natural disaster. office of the assistant secretary of the army for civil works For the Office of the Assistant Secretary of the Army for Civil Works as authorized by 10 U.S.C 3016(b)(3), $5,000,000, to remain available until September 30, 2020: Provided, That not more than 25 percent of such amount may be obligated or expended until the Assistant Secretary submits to the Committees on Appropriations of both Houses of Congress a work plan that allocates at least 95 percent of the additional funding provided under each heading in this title, as designated under such heading in the joint explanatory statement accompanying this Act, to specific ***programs***, projects, or activities. GENERAL PROVISIONS--CORPS OF ENGINEERS--CIVIL (including ***transfer*** of funds) Sec. 101. (a) None of the funds provided in title I of this Act, or provided by previous appropriations Acts to the agencies or entities funded in title I of this Act that remain available for obligation or expenditure in fiscal ***year*** 2019, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates or initiates a new ***program***, project, or activity; (2) eliminates a ***program***, project, or activity; (3) increases funds or personnel for any ***program***, project, or activity for which funds have been denied or restricted by this Act, unless prior approval is received from the House and Senate Committees on Appropriations; (4) proposes to use funds directed for a specific activity for a different purpose, unless prior approval is received from the House and Senate Committees on Appropriations; (5) augments or reduces existing ***programs***, projects, or activities in excess of the amounts contained in paragraphs (6) through (10), unless prior approval is received from the House and Senate Committees on Appropriations; (6) Investigations.--For a base level over $100,000, reprogramming of 25 percent of the base amount up to a limit of $150,000 per project, study or activity is allowed: Provided, That for a base level less than $100,000, the reprogramming limit is $25,000: Provided further, That up to $25,000 may be reprogrammed into any continuing study or activity that did not receive an appropriation for existing obligations and concomitant administrative expenses; (7) Construction.--For a base level over $2,000,000, reprogramming of 15 percent of the base amount up to a limit of $3,000,000 per project, study or activity is allowed: Provided, That for a base level less than $2,000,000, the reprogramming limit is $300,000: Provided further, That up to $3,000,000 may be reprogrammed for settled contractor claims, changed conditions, or real estate deficiency judgments: Provided further, That up to $300,000 may be reprogrammed into any continuing study or activity that did not receive an appropriation for existing obligations and concomitant administrative expenses; (8) Operation and maintenance.--Unlimited reprogramming authority is granted for the Corps to be able to respond to emergencies: Provided, That the Chief of Engineers shall notify the House and Senate Committees on Appropriations of these emergency actions as soon thereafter as practicable: Provided further, That for a base level over $1,000,000, reprogramming of 15 percent of the base amount up to a limit of $5,000,000 per project, study, or activity is allowed: Provided further, That for a base level less than $1,000,000, the reprogramming limit is $150,000: Provided further, That $150,000 may be reprogrammed into any continuing study or activity that did not receive an appropriation; (9) Mississippi river and tributaries.--The reprogramming guidelines in paragraphs (6), (7), and (8) shall apply to the Investigations, Construction, and Operation and Maintenance portions of the Mississippi River and Tributaries Account, respectively; and (10) Formerly utilized sites remedial action ***program***.-- Reprogramming of up to 15 percent of the base of the receiving project is permitted. (b) De Minimus Reprogrammings.--In no case should a reprogramming for less than $50,000 be submitted to the House and Senate Committees on Appropriations. (c) Continuing Authorities ***Program***.--Subsection (a)(1) shall not apply to any project or activity funded under the continuing authorities ***program***. (d) Not later than 60 days after the date of enactment of this Act, the Secretary shall submit a report to the House and Senate Committees on Appropriations to establish the baseline for application of reprogramming and ***transfer*** authorities for the current fiscal ***year*** which shall include: (1) A table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if applicable, and the fiscal ***year*** enacted level; and (2) A delineation in the table for each appropriation both by object class and ***program***, project and activity as detailed in the budget appendix for the respective appropriations; and (3) An identification of items of special congressional interest. Sec. 102. The Secretary shall allocate funds made available in this Act solely in accordance with the provisions of this Act and the joint explanatory statement accompanying this Act, including the determination and designation of new starts. Sec. 103. None of the funds made available in this title may be used to award or modify any contract that commits funds beyond the amounts appropriated for that ***program***, project, or activity that remain unobligated, except that such amounts may include any funds that have been made available through reprogramming pursuant to section 101. Sec. 104. The Secretary of the Army may ***transfer*** to the Fish and Wildlife Service, and the Fish and Wildlife Service may accept and expend, up to $5,400,000 of funds provided in this title under the heading ``Operation and Maintenance'' to mitigate for fisheries lost due to Corps of Engineers projects. Sec. 105. None of the funds in this Act shall be used for an open lake placement alternative for dredged material, after evaluating the least costly, environmentally acceptable manner for the disposal or management of dredged material originating from Lake Erie or tributaries thereto, unless it is approved under a State water quality certification pursuant to section 401 of the Federal Water Pollution Control Act (33 U.S.C 1341): Provided, That until an open lake placement alternative for dredged material is approved under a State water quality certification, the Corps of Engineers shall continue upland placement of such dredged material consistent with the requirements of section 101 of the Water Resources Development Act of 1986 (33 U.S.C 2211). Sec. 106. None of the funds made available in this title may be used for any acquisition of buoy chain that is not consistent with 48 CFR 225.7007, subsections (a)(1) and (a)(2). Sec. 107. None of the funds made available by this Act may be used to carry out any water supply reallocation study under the Wolf Creek Dam, Lake Cumberland, Kentucky, project authorized under the Act of July 24, 1946 (60 Stat. 636, ch. 595). Sec. 108. None of the funds made available by this Act may be used to require a permit for the discharge of dredged or fill material under the Federal Water Pollution Control Act (33 U.S.C 1251 et seq.) for the activities identified in subparagraphs (A) and (C) of section 404(f)(1) of the Act (33 U.S.C 1344(f)(1)(A), (C)). Sec. 109. For fiscal ***year*** 2019, none of the funds provided in this Act or available in the revolving fund established by the Civil Functions Appropriations Act of 1954 (33 U.S.C 576(a)) may be obligated or expended on a new hopper dredge. Sec. 110. None of the funds made available by this Act or any other Act may be used to reorganize or to ***transfer*** the Civil Works functions or authority of the Corps of Engineers or the Secretary of the Army to another department or agency. TITLE II DEPARTMENT OF THE INTERIOR Central Utah Project central utah project completion account For carrying out activities authorized by the Central Utah Project Completion Act, $15,000,000, to remain available until expended, of which $898,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission: Provided, That of the amount provided under this heading, $1,398,675 shall be available until September 30, 2020, for expenses necessary in carrying out related responsibilities of the Secretary of the Interior: Provided further, That for fiscal ***year*** [[Page H7948]] 2019, of the amount made available to the Commission under this Act or any other Act, the Commission may use an amount not to exceed $1,500,000 for administrative expenses. Bureau of Reclamation The following appropriations shall be expended to execute authorized functions of the Bureau of Reclamation: water and related resources (including ***transfers*** of funds) For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, federally recognized Indian tribes, and others, $1,391,992,000, to remain available until expended, of which $67,393,000 shall be available for ***transfer*** to the Upper Colorado River Basin Fund and $5,551,000 shall be available for ***transfer*** to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund: Provided, That such ***transfers*** may be increased or decreased within the overall appropriation under this heading: Provided further, That within available funds, $250,000 shall be for grants and financial assistance for educational activities: Provided further, That of the total appropriated, the amount for ***program*** activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C 6806 shall be derived from that Fund or account: Provided further, That funds contributed under 43 U.S.C 395 are available until expended for the purposes for which the funds were contributed: Provided further, That funds advanced under 43 U.S.C 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, That of the amounts provided herein, funds may be used for high- priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C 1706. central valley project restoration fund For carrying out the ***programs***, projects, plans, habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, $62,008,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), and 3405(f) of Public Law 102-575, to remain available until expended: Provided, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration ***payments*** authorized by section 3407(d) of Public Law 102-575: Provided further, That none of the funds made available under this heading may be used for the acquisition or leasing of water for in-stream purposes if the water is already committed to in-stream purposes by a court adopted decree or order. california bay-delta restoration (including ***transfers*** of funds) For carrying out activities authorized by the Water Supply, Reliability, and Environmental Improvement Act, consistent with plans to be approved by the Secretary of the Interior, $35,000,000, to remain available until expended, of which such amounts as may be necessary to carry out such activities may be ***transferred*** to appropriate accounts of other participating Federal agencies to carry out authorized purposes: Provided, That funds appropriated herein may be used for the Federal share of the costs of CALFED ***Program*** management: Provided further, That CALFED implementation shall be carried out in a balanced manner with clear performance measures demonstrating concurrent progress in achieving the goals and objectives of the ***Program***. policy and administration For expenses necessary for policy, administration, and related functions in the Office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until September 30, 2020, $61,000,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C 377: Provided, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses. administrative provision Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed five passenger motor vehicles, which are for replacement only. GENERAL PROVISIONS--DEPARTMENT OF THE INTERIOR Sec. 201. (a) None of the funds provided in title II of this Act for Water and Related Resources, or provided by previous or subsequent appropriations Acts to the agencies or entities funded in title II of this Act for Water and Related Resources that remain available for obligation or expenditure in fiscal ***year*** 2019, shall be available for obligation or expenditure through a reprogramming of funds that-- (1) initiates or creates a new ***program***, project, or activity; (2) eliminates a ***program***, project, or activity; (3) increases funds for any ***program***, project, or activity for which funds have been denied or restricted by this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; (4) restarts or resumes any ***program***, project or activity for which funds are not provided in this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; (5) ***transfers*** funds in excess of the following limits, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate: (A) 15 percent for any ***program***, project or activity for which $2,000,000 or more is available at the beginning of the fiscal ***year***; or (B) $400,000 for any ***program***, project or activity for which less than $2,000,000 is available at the beginning of the fiscal ***year***; (6) ***transfers*** more than $500,000 from either the Facilities Operation, Maintenance, and Rehabilitation category or the Resources Management and Development category to any ***program***, project, or activity in the other category, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; or (7) ***transfers***, where necessary to discharge legal obligations of the Bureau of Reclamation, more than $5,000,000 to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate. (b) Subsection (a)(5) shall not apply to any ***transfer*** of funds within the Facilities Operation, Maintenance, and Rehabilitation category. (c) For purposes of this section, the term ***transfer*** means any movement of funds into or out of a ***program***, project, or activity. (d) The Bureau of Reclamation shall submit reports on a quarterly basis to the Committees on Appropriations of the House of Representatives and the Senate detailing all the funds reprogrammed between ***programs***, projects, activities, or categories of funding. The first quarterly report shall be submitted not later than 60 days after the date of enactment of this Act. Sec. 202. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters. (b) The costs of the Kesterson Reservoir Cleanup ***Program*** and the costs of the San Joaquin Valley Drainage ***Program*** shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the ``Cleanup ***Program***--Alternative Repayment Plan'' and the ``SJVDP--Alternative Repayment Plan'' described in the report entitled ``Repayment Report, Kesterson Reservoir Cleanup ***Program*** and San Joaquin Valley Drainage ***Program***, February 1995'', prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law. Sec. 203. Hereinafter, notwithstanding any other provision of law, during the period from November 1 through April 30, water users may use their diversion structures for the purpose of recharging the Eastern Snake Plain Aquifer, when the Secretary, in consultation with the Advisory Committee and Water District 1 watermaster, determines there is water available in excess of that needed to satisfy existing Minidoka Project storage and hydropower rights and ensure operational flexibility. Sec. 204. Section 9001(d) of the Omnibus Public Land Management Act of 2009 (Public Law 111-11; 123 Stat. 1295) is amended by striking ``10'' and inserting ``20''. Sec. 205. (a) Section 206(c)(2) of the Energy and Water Development and Related Agencies Appropriations Act, 2015 (43 U.S.C 620 note; Public Law 113-235) is amended by striking ``2018.'' and inserting the following: ``2022: Provided, That the Secretary shall not fund pilot projects in the Upper Colorado River Basin without the participation of the Upper Colorado River Division States, acting through the Upper Colorado River Commission.''. (b) Section 9504(e) of the Secure Water Act of 2009 (42 U.S.C 10364(e)) is amended by striking ``$450,000,000'' and inserting ``$480,000,000''. Sec. 206. Section 9 of the Fort Peck Reservation Rural Water System Act of 2000 (Public Law 106-382; 114 Stat. 1457, 123 Stat. 2856, 128 Stat. 164) is amended by striking ``2020'' each place it appears in subsections (a)(1) and (b) and inserting ``2026''. TITLE III DEPARTMENT OF ENERGY ENERGY ***PROGRAMS*** Energy Efficiency and Renewable Energy For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and [[Page H7949]] other expenses necessary for energy efficiency and renewable energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $2,379,000,000, to remain available until expended: Provided, That of such amount, $162,500,000 shall be available until September 30, 2020, for ***program*** direction. Cybersecurity, Energy Security, and Emergency Response For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy sector cybersecurity, energy security, and emergency response activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $120,000,000, to remain available until expended: Provided, That of such amount, $11,500,000 shall be available until September 30, 2020, for ***program*** direction. Electricity Delivery For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for electricity delivery activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $156,000,000, to remain available until expended: Provided, That of such amount, $17,000,000 shall be available until September 30, 2020, for ***program*** direction. Nuclear Energy For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for nuclear energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $1,326,090,000, to remain available until expended: Provided, That of such amount, $80,000,000 shall be available until September 30, 2020, for ***program*** direction. Fossil Energy Research and Development For Department of Energy expenses necessary in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C 3, 1602, and 1603), $740,000,000, to remain available until expended: Provided, That of such amount $61,070,000 shall be available until September 30, 2020, for ***program*** direction. Naval Petroleum and Oil Shale Reserves For Department of Energy expenses necessary to carry out naval petroleum and oil shale reserve activities, $10,000,000, to remain available until expended: Provided, That notwithstanding any other provision of law, unobligated funds remaining from prior ***years*** shall be available for all naval petroleum and oil shale reserve activities. Strategic Petroleum Reserve For Department of Energy expenses necessary for Strategic Petroleum Reserve facility development and operations and ***program*** management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C 6201 et seq.), $235,000,000, to remain available until expended: Provided, That, as authorized by section 404 of the Bipartisan Budget Act of 2015 (Public Law 114-74; 42 U.S.C 6239 note), the Secretary of Energy shall draw down and sell not to exceed $300,000,000 of crude oil from the Strategic Petroleum Reserve in fiscal ***year*** 2019: Provided further, That the proceeds from such drawdown and sale shall be deposited into the ``Energy Security and Infrastructure Modernization Fund'' during fiscal ***year*** 2019: Provided further, That such amounts shall be made available and shall remain available until expended for necessary expenses to carry out the Life Extension II project for the Strategic Petroleum Reserve. SPR Petroleum Account For the acquisition, transportation, and injection of petroleum products, and for other necessary expenses pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C 6201 et seq.), sections 403 and 404 of the Bipartisan Budget Act of 2015 (42 U.S.C 6241, 6239 note), and section 5010 of the 21st Century Cures Act (Public Law 114-255), $10,000,000, to remain available until expended. Northeast Home Heating Oil Reserve For Department of Energy expenses necessary for Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C 6201 et seq.), $10,000,000, to remain available until expended. Energy Information Administration For Department of Energy expenses necessary in carrying out the activities of the Energy Information Administration, $125,000,000, to remain available until expended. Non-Defense Environmental Cleanup For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental cleanup activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $310,000,000, to remain available until expended. Uranium Enrichment Decontamination and Decommissioning Fund For Department of Energy expenses necessary in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions, and other activities of title II of the Atomic Energy Act of 1954, and title X, subtitle A, of the Energy Policy Act of 1992, $841,129,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended, of which $11,000,000 shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992, including for the purchase of not to exceed one ambulance for replacement only. Science For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and purchase of not more than 16 passenger motor vehicles including one bus, and one airplane for replacement only, $6,585,000,000, to remain available until expended: Provided, That of such amount, $183,000,000 shall be available until September 30, 2020, for ***program*** direction. Advanced Research Projects Agency--Energy For Department of Energy expenses necessary in carrying out the activities authorized by section 5012 of the America COMPETES Act (Public Law 110-69), $366,000,000, to remain available until expended: Provided, That of such amount, $31,250,000 shall be available until September 30, 2020, for ***program*** direction. Title 17 Innovative Technology Loan Guarantee ***Program*** Such sums as are derived from amounts received from borrowers pursuant to section 1702(b) of the Energy Policy Act of 2005 under this heading in prior Acts, shall be collected in accordance with section 502(7) of the Congressional Budget Act of 1974: Provided, That for necessary administrative expenses of the Title 17 Innovative Technology Loan Guarantee ***Program***, as authorized, $33,000,000 is appropriated, to remain available until September 30, 2020: Provided further, That up to $33,000,000 of fees collected in fiscal ***year*** 2019 pursuant to section 1702(h) of the Energy Policy Act of 2005 shall be credited as offsetting collections under this heading and used for necessary administrative expenses in this appropriation and shall remain available until September 30, 2020: Provided further, That to the extent that fees collected in fiscal ***year*** 2019 exceed $33,000,000, those excess amounts shall be credited as offsetting collections under this heading and available in future fiscal ***years*** only to the extent provided in advance in appropriations Acts: Provided further, That the sum herein appropriated from the general fund shall be reduced (1) as such fees are received during fiscal ***year*** 2019 (estimated at $15,000,000) and (2) to the extent that any remaining general fund appropriations can be derived from fees collected in previous fiscal ***years*** that are not otherwise appropriated, so as to result in a final fiscal ***year*** 2019 appropriation from the general fund estimated at $0: Provided further, That the Department of Energy shall not subordinate any loan obligation to other financing in violation of section 1702 of the Energy Policy Act of 2005 or subordinate any Guaranteed Obligation to any loan or other debt obligations in violation of section 609.10 of title 10, Code of Federal Regulations. Advanced Technology Vehicles Manufacturing Loan ***Program*** For Department of Energy administrative expenses necessary in carrying out the Advanced Technology Vehicles Manufacturing Loan ***Program***, $5,000,000, to remain available until September 30, 2020. Tribal Energy Loan Guarantee ***Program*** For Department of Energy administrative expenses necessary in carrying out the Tribal Energy Loan Guarantee ***Program***, $1,000,000, to remain available until September 30, 2020. Office of Indian Energy Policy and ***Programs*** For necessary expenses for Indian Energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), $18,000,000, to remain [[Page H7950]] available until expended: Provided, That, of the amount appropriated under this heading, $4,800,000 shall be available until September 30, 2020, for ***program*** direction. Departmental Administration For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), $261,858,000, to remain available until September 30, 2020, including the hire of passenger motor vehicles and official reception and representation expenses not to exceed $30,000, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C 1511 et seq.): Provided, That such increases in cost of work are offset by revenue increases of the same or greater amount: Provided further, That moneys received by the Department for miscellaneous revenues estimated to total $96,000,000 in fiscal ***year*** 2019 may be retained and used for operating expenses within this account, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of 31 U.S.C 3302: Provided further, That the sum herein appropriated shall be reduced as collections are received during the fiscal ***year*** so as to result in a final fiscal ***year*** 2019 appropriation from the general fund estimated at not more than $165,858,000. Office of the Inspector General For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $51,330,000, to remain available until September 30, 2020. ATOMIC ENERGY DEFENSE ACTIVITIES NATIONAL NUCLEAR SECURITY ADMINISTRATION Weapons Activities For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed one ambulance for replacement only, $11,100,000,000, to remain available until expended: Provided, That of such amount, $102,022,000 shall be available until September 30, 2020, for ***program*** direction. Defense Nuclear Nonproliferation (including rescission of funds) For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other incidental expenses necessary for defense nuclear nonproliferation activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed three aircraft, $1,949,000,000, to remain available until expended: Provided, That of such amount, $25,000,000 shall be made available for design activities supporting the dilute and dispose strategy for plutonium disposition: Provided further, That none of the funds made available under this heading shall be made available for the construction activities or acquisition of equipment for the Surplus Plutonium Disposition Project: Provided further, That of the unobligated balances from prior ***year*** appropriations available under this heading, $19,000,000 is hereby rescinded: Provided further, That no amounts may be rescinded from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985. Naval Reactors (including ***transfer*** of funds) For Department of Energy expenses necessary for naval reactors activities to carry out the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition (by purchase, condemnation, construction, or otherwise) of real property, plant, and capital equipment, facilities, and facility expansion, $1,788,618,000, to remain available until expended, of which, $85,500,000 shall be ***transferred*** to ``Department of Energy--Energy ***Programs***-- Nuclear Energy'', for the Advanced Test Reactor: Provided, That of such amount, $48,709,000 shall be available until September 30, 2020, for ***program*** direction. Federal Salaries and Expenses For expenses necessary for Federal Salaries and Expenses in the National Nuclear Security Administration, $410,000,000, to remain available until September 30, 2020, including official reception and representation expenses not to exceed $12,000. ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES Defense Environmental Cleanup (including rescission of funds) For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental cleanup activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of not to exceed one passenger minivan for replacement only, $6,028,600,000, to remain available until expended: Provided, That of such amount, $298,500,000 shall be available until September 30, 2020, for ***program*** direction: Provided further, That of the unobligated balances from prior ***year*** appropriations available under this heading, $4,600,000 is hereby rescinded: Provided further, That no amounts may be rescinded from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985. Other Defense Activities For Department of Energy expenses, including the purchase, construction, and acquisition of plant and capital equipment and other expenses, necessary for atomic energy defense, other defense activities, and classified activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $860,292,000, to remain available until expended: Provided, That of such amount, $295,432,000 shall be available until September 30, 2020, for ***program*** direction. POWER MARKETING ADMINISTRATIONS Bonneville Power Administration Fund Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for official reception and representation expenses in an amount not to exceed $5,000: Provided, That during fiscal ***year*** 2019, no new direct loan obligations may be made. Operation and Maintenance, Southeastern Power Administration For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to section 5 of the Flood Control Act of 1944 (16 U.S.C 825s), as applied to the southeastern power area, $6,500,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended: Provided, That notwithstanding 31 U.S.C 3302 and section 5 of the Flood Control Act of 1944, up to $6,500,000 collected by the Southeastern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended for the sole purpose of funding the annual expenses of the Southeastern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal ***year*** so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $0: Provided further, That notwithstanding 31 U.S.C 3302, up to $55,000,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same ***year*** that they are incurred (excluding purchase power and wheeling expenses). Operation and Maintenance, Southwestern Power Administration For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 in carrying out section 5 of the Flood Control Act of 1944 (16 U.S.C 825s), as applied to the Southwestern Power Administration, $45,802,000, to remain available until expended: Provided, That notwithstanding 31 U.S.C 3302 and section 5 of the Flood Control Act of 1944 (16 U.S.C 825s), up to $35,402,000 collected by the Southwestern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Southwestern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal ***year*** so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $10,400,000: Provided further, That notwithstanding 31 U.S.C 3302, up to $50,000,000 collected by the Southwestern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same ***year*** that they are incurred (excluding purchase power and wheeling expenses). [[Page H7951]] Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C 7152), and other related activities including conservation and renewable resources ***programs*** as authorized, $265,142,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended, of which $265,142,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That notwithstanding 31 U.S.C 3302, section 5 of the Flood Control Act of 1944 (16 U.S.C 825s), and section 1 of the Interior Department Appropriation Act, 1939 (43 U.S.C 392a), up to $175,770,000 collected by the Western Area Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Western Area Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal ***year*** so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $89,372,000, of which $89,372,000 is derived from the Reclamation Fund: Provided further, That notwithstanding 31 U.S.C 3302, up to $225,442,000 collected by the Western Area Power Administration pursuant to the Flood Control Act of 1944 and the Reclamation Project Act of 1939 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same ***year*** that they are incurred (excluding purchase power and wheeling expenses). Falcon and Amistad Operating and Maintenance Fund For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $1,568,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 2 of the Act of June 18, 1954 (68 Stat. 255): Provided, That notwithstanding the provisions of that Act and of 31 U.S.C 3302, up to $1,340,000 collected by the Western Area Power Administration from the sale of power and related services from the Falcon and Amistad Dams shall be credited to this account as discretionary offsetting collections, to remain available until expended for the sole purpose of funding the annual expenses of the hydroelectric facilities of these Dams and associated Western Area Power Administration activities: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal ***year*** so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $228,000: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same ***year*** that they are incurred: Provided further, That for fiscal ***year*** 2019, the Administrator of the Western Area Power Administration may accept up to $372,000 in funds contributed by United States power customers of the Falcon and Amistad Dams for deposit into the Falcon and Amistad Operating and Maintenance Fund, and such funds shall be available for the purpose for which contributed in like manner as if said sums had been specifically appropriated for such purpose: Provided further, That any such funds shall be available without further appropriation and without fiscal ***year*** limitation for use by the Commissioner of the United States Section of the International Boundary and Water Commission for the sole purpose of operating, maintaining, repairing, rehabilitating, replacing, or upgrading the hydroelectric facilities at these Dams in accordance with agreements reached between the Administrator, Commissioner, and the power customers. Federal Energy Regulatory Commission salaries and expenses For expenses necessary for the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including services as authorized by 5 U.S.C 3109, official reception and representation expenses not to exceed $3,000, and the hire of passenger motor vehicles, $369,900,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed $369,900,000 of revenues from fees and annual charges, and other services and collections in fiscal ***year*** 2019 shall be retained and used for expenses necessary in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as revenues are received during fiscal ***year*** 2019 so as to result in a final fiscal ***year*** 2019 appropriation from the general fund estimated at not more than $0. GENERAL PROVISIONS--DEPARTMENT OF ENERGY (including ***transfers*** of funds) Sec. 301. (a) No appropriation, funds, or authority made available by this title for the Department of Energy shall be used to initiate or resume any ***program***, project, or activity or to prepare or initiate Requests For Proposals or similar arrangements (including Requests for Quotations, Requests for Information, and Funding Opportunity Announcements) for a ***program***, project, or activity if the ***program***, project, or activity has not been funded by Congress. (b)(1) Unless the Secretary of Energy notifies the Committees on Appropriations of both Houses of Congress at least 3 full business days in advance, none of the funds made available in this title may be used to-- (A) make a grant allocation or discretionary grant award totaling $1,000,000 or more; (B) make a discretionary contract award or Other Transaction Agreement totaling $1,000,000 or more, including a contract covered by the Federal Acquisition Regulation; (C) issue a letter of intent to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B); or (D) announce publicly the intention to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B). (2) The Secretary of Energy shall submit to the Committees on Appropriations of both Houses of Congress within 15 days of the conclusion of each quarter a report detailing each grant allocation or discretionary grant award totaling less than $1,000,000 provided during the previous quarter. (3) The notification required by paragraph (1) and the report required by paragraph (2) shall include the recipient of the award, the amount of the award, the fiscal ***year*** for which the funds for the award were appropriated, the account and ***program***, project, or activity from which the funds are being drawn, the title of the award, and a brief description of the activity for which the award is made. (c) The Department of Energy may not, with respect to any ***program***, project, or activity that uses budget authority made available in this title under the heading ``Department of Energy--Energy ***Programs***'', enter into a multiyear contract, award a multiyear grant, or enter into a multiyear cooperative agreement unless-- (1) the contract, grant, or cooperative agreement is funded for the full period of performance as anticipated at the time of award; or (2) the contract, grant, or cooperative agreement includes a clause conditioning the Federal Government's obligation on the availability of future ***year*** budget authority and the Secretary notifies the Committees on Appropriations of both Houses of Congress at least 3 days in advance. (d) Except as provided in subsections (e), (f), and (g), the amounts made available by this title shall be expended as authorized by law for the ***programs***, projects, and activities specified in the ``Conference'' column in the ``Department of Energy'' table included under the heading ``Title III-- Department of Energy'' in the joint explanatory statement accompanying this Act. (e) The amounts made available by this title may be reprogrammed for any ***program***, project, or activity, and the Department shall notify, and obtain the prior approval of, the Committees on Appropriations of both Houses of Congress at least 30 days prior to the use of any proposed reprogramming that would cause any ***program***, project, or activity funding level to increase or decrease by more than $5,000,000 or 10 percent, whichever is less, during the time period covered by this Act. (f) None of the funds provided in this title shall be available for obligation or expenditure through a reprogramming of funds that-- (1) creates, initiates, or eliminates a ***program***, project, or activity; (2) increases funds or personnel for any ***program***, project, or activity for which funds are denied or restricted by this Act; or (3) reduces funds that are directed to be used for a specific ***program***, project, or activity by this Act. (g)(1) The Secretary of Energy may waive any requirement or restriction in this section that applies to the use of funds made available for the Department of Energy if compliance with such requirement or restriction would pose a substantial risk to human health, the environment, welfare, or national security. (2) The Secretary of Energy shall notify the Committees on Appropriations of both Houses of Congress of any waiver under paragraph (1) as soon as practicable, but not later than 3 days after the date of the activity to which a requirement or restriction would otherwise have applied. Such notice shall include an explanation of the substantial risk under paragraph (1) that permitted such waiver. (h) The unexpended balances of prior appropriations provided for activities in this Act may be available to the same appropriation accounts for such activities established pursuant to this title. Available balances may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted. Sec. 302. Funds appropriated by this or any other Act, or made available by the ***transfer*** of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C 3094) during fiscal ***year*** 2019 until the enactment of the Intelligence Authorization Act for fiscal ***year*** 2019. [[Page H7952]] Sec. 303. None of the funds made available in this title shall be used for the construction of facilities classified as high-hazard nuclear facilities under 10 CFR Part 830 unless independent oversight is conducted by the Office of Enterprise Assessments to ensure the project is in compliance with nuclear safety requirements. Sec. 304. None of the funds made available in this title may be used to approve critical decision-2 or critical decision-3 under Department of Energy Order 413.3B, or any successive departmental guidance, for construction projects where the total project cost exceeds $100,000,000, until a separate independent cost estimate has been developed for the project for that critical decision. Sec. 305. The Secretary of Energy may not ***transfer*** more than $274,833,000 from the amounts made available under this title to the working capital fund established under section 653 of the Department of Energy Organization Act (42 U.S.C 7263): Provided, That the Secretary may ***transfer*** additional amounts to the working capital fund after the Secretary provides notification in advance of any such ***transfer*** to the Committees on Appropriations of both Houses of Congress: Provided further, That any such notification shall identify the sources of funds by ***program***, project, or activity: Provided further, That the Secretary shall notify the Committees on Appropriations of both Houses of Congress before adding or removing any activities from the fund. Sec. 306. (a) None of the funds made available in this or any prior Act under the heading ``Defense Nuclear Nonproliferation'' may be made available to enter into new contracts with, or new agreements for Federal assistance to, the Russian Federation. (b) The Secretary of Energy may waive the prohibition in subsection (a) if the Secretary determines that such activity is in the national security interests of the United States. This waiver authority may not be delegated. (c) A waiver under subsection (b) shall not be effective until 15 days after the date on which the Secretary submits to the Committees on Appropriations of both Houses of Congress, in classified form if necessary, a report on the justification for the waiver. Sec. 307. (a) New Regional Reserves.--The Secretary of Energy may not establish any new regional petroleum product reserve unless funding for the proposed regional petroleum product reserve is explicitly requested in advance in an annual budget submission and approved by the Congress in an appropriations Act. (b) The budget request or notification shall include-- (1) the justification for the new reserve; (2) a cost estimate for the establishment, operation, and maintenance of the reserve, including funding sources; (3) a detailed plan for operation of the reserve, including the conditions upon which the products may be released; (4) the location of the reserve; and (5) the estimate of the total inventory of the reserve. Sec. 308. Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C 6241), upon a determination by the President in this fiscal ***year*** that a regional supply shortage of refined petroleum product of significant scope and duration exists, that a severe increase in the price of refined petroleum product will likely result from such shortage, and that a draw down and sale of refined petroleum product would assist directly and significantly in reducing the adverse impact of such shortage, the Secretary of Energy may draw down and sell refined petroleum product from the Strategic Petroleum Reserve. Proceeds from a sale under this section shall be deposited into the SPR Petroleum Account established in section 167 of the Energy Policy and Conservation Act (42 U.S.C 6247), and such amounts shall be available for obligation, without fiscal ***year*** limitation, consistent with that section. TITLE IV INDEPENDENT AGENCIES Appalachian Regional Commission For expenses necessary to carry out the ***programs*** authorized by the Appalachian Regional Development Act of 1965, and for expenses necessary for the Federal Co-Chairman and the Alternate on the Appalachian Regional Commission, for ***payment*** of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C 3109, and hire of passenger motor vehicles, $165,000,000, to remain available until expended. Defense Nuclear Facilities Safety Board salaries and expenses For expenses necessary for the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-456, section 1441, $31,000,000, to remain available until September 30, 2020: Provided, That none of the funds made available by this or any prior Act for the salaries and expenses of the Defense Nuclear Facilities Safety Board shall be available to implement any reform and reorganization plan of the Defense Nuclear Facilities Safety Board, including the plan announced on August 15, 2018, unless any such reform and reorganization plan is specifically authorized by law. Delta Regional Authority salaries and expenses For expenses necessary for the Delta Regional Authority and to carry out its activities, as authorized by the Delta Regional Authority Act of 2000, notwithstanding sections 382F(d), 382M, and 382N of said Act, $25,000,000, to remain available until expended. Denali Commission For expenses necessary for the Denali Commission including the purchase, construction, and acquisition of plant and capital equipment as necessary and other expenses, $15,000,000, to remain available until expended, notwithstanding the limitations contained in section 306(g) of the Denali Commission Act of 1998: Provided, That funds shall be available for construction projects in an amount not to exceed 80 percent of total project cost for distressed communities, as defined by section 307 of the Denali Commission Act of 1998 (division C, title III, Public Law 105-277), as amended by section 701 of appendix D, title VII, Public Law 106-113 (113 Stat. 1501A-280), and an amount not to exceed 50 percent for non-distressed communities: Provided further, That notwithstanding any other provision of law regarding ***payment*** of a non-Federal share in connection with a grant-in-aid ***program***, amounts under this heading shall be available for the ***payment*** of such a non-Federal share for ***programs*** undertaken to carry out the purposes of the Commission. Northern Border Regional Commission For expenses necessary for the Northern Border Regional Commission in carrying out activities authorized by subtitle V of title 40, United States Code, $20,000,000, to remain available until expended: Provided, That such amounts shall be available for administrative expenses, notwithstanding section 15751(b) of title 40, United States Code: Provided further, That during fiscal ***year*** 2019, the duties and authority of the Federal Cochairperson shall be assumed by the Northern Border Regional Commission ***Program*** Director if the position of the Federal Cochairperson and Alternate Federal Cochairperson is vacant. Southeast Crescent Regional Commission For expenses necessary for the Southeast Crescent Regional Commission in carrying out activities authorized by subtitle V of title 40, United States Code, $250,000, to remain available until expended. Nuclear Regulatory Commission salaries and expenses For expenses necessary for the Commission in carrying out the purposes of the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954, $898,350,000, including official representation expenses not to exceed $25,000, to remain available until expended: Provided, That of the amount appropriated herein, not more than $9,500,000 may be made available for salaries, travel, and other support costs for the Office of the Commission, to remain available until September 30, 2020, of which, notwithstanding section 201(a)(2)(c) of the Energy Reorganization Act of 1974 (42 U.S.C 5841(a)(2)(c)), the use and expenditure shall only be approved by a majority vote of the Commission: Provided further, That revenues from licensing fees, inspection services, and other services and collections estimated at $770,477,000 in fiscal ***year*** 2019 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C 3302, and shall remain available until expended: Provided further, That of the amounts appropriated under this heading, not less than $10,300,000 shall be for activities related to the development of regulatory infrastructure for advanced nuclear technologies, and $16,080,000 shall be for international activities, except that the amounts provided under this proviso shall not be derived from fee revenues, notwithstanding 42 U.S.C 2214: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal ***year*** 2019 so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $127,873,000: Provided further, That of the amounts appropriated under this heading, $10,000,000 shall be for university research and development in areas relevant to the Commission's mission, and $5,000,000 shall be for a Nuclear Science and Engineering Grant ***Program*** that will support multiyear projects that do not align with programmatic missions but are critical to maintaining the discipline of nuclear science and engineering. office of inspector general For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $12,609,000, to remain available until September 30, 2020: Provided, That revenues from licensing fees, inspection services, and other services and collections estimated at $10,355,000 in fiscal ***year*** 2019 shall be retained and be available until September 30, 2020, for necessary salaries and expenses in this account, notwithstanding section 3302 of title 31, United States Code: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal ***year*** 2019 so as to result in a final fiscal ***year*** 2019 appropriation estimated at not more than $2,254,000: Provided further, That of the amounts appropriated under this heading, $1,103,000 shall be for Inspector General services for the Defense Nuclear Facilities Safety Board, which shall not be available from fee revenues. Nuclear Waste Technical Review Board salaries and expenses For expenses necessary for the Nuclear Waste Technical Review Board, as authorized by Public Law 100-203, section 5051, [[Page H7953]] $3,600,000, to be derived from the Nuclear Waste Fund, to remain available until September 30, 2020. GENERAL PROVISIONS--INDEPENDENT AGENCIES Sec. 401. The Nuclear Regulatory Commission shall comply with the July 5, 2011, version of Chapter VI of its Internal Commission Procedures when responding to Congressional requests for information, consistent with Department of Justice guidance for all federal agencies. Sec. 402. (a) The amounts made available by this title for the Nuclear Regulatory Commission may be reprogrammed for any ***program***, project, or activity, and the Commission shall notify the Committees on Appropriations of both Houses of Congress at least 30 days prior to the use of any proposed reprogramming that would cause any ***program*** funding level to increase or decrease by more than $500,000 or 10 percent, whichever is less, during the time period covered by this Act. (b)(1) The Nuclear Regulatory Commission may waive the notification requirement in subsection (a) if compliance with such requirement would pose a substantial risk to human health, the environment, welfare, or national security. (2) The Nuclear Regulatory Commission shall notify the Committees on Appropriations of both Houses of Congress of any waiver under paragraph (1) as soon as practicable, but not later than 3 days after the date of the activity to which a requirement or restriction would otherwise have applied. Such notice shall include an explanation of the substantial risk under paragraph (1) that permitted such waiver and shall provide a detailed report to the Committees of such waiver and changes to funding levels to ***programs***, projects, or activities. (c) Except as provided in subsections (a), (b), and (d), the amounts made available by this title for ``Nuclear Regulatory Commission--Salaries and Expenses'' shall be expended as directed in the joint explanatory statement accompanying this Act. (d) None of the funds provided for the Nuclear Regulatory Commission shall be available for obligation or expenditure through a reprogramming of funds that increases funds or personnel for any ***program***, project, or activity for which funds are denied or restricted by this Act. (e) The Commission shall provide a monthly report to the Committees on Appropriations of both Houses of Congress, which includes the following for each ***program***, project, or activity, including any prior ***year*** appropriations-- (1) total budget authority; (2) total unobligated balances; and (3) total unliquidated obligations. TITLE V GENERAL PROVISIONS (including ***transfer*** of funds) Sec. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C 1913. Sec. 502. (a) None of the funds made available in title III of this Act may be ***transferred*** to any department, agency, or instrumentality of the United States Government, except pursuant to a ***transfer*** made by or ***transfer*** authority provided in this Act or any other appropriations Act for any fiscal ***year***, ***transfer*** authority referenced in the joint explanatory statement accompanying this Act, or any authority whereby a department, agency, or instrumentality of the United States Government may provide goods or services to another department, agency, or instrumentality. (b) None of the funds made available for any department, agency, or instrumentality of the United States Government may be ***transferred*** to accounts funded in title III of this Act, except pursuant to a ***transfer*** made by or ***transfer*** authority provided in this Act or any other appropriations Act for any fiscal ***year***, ***transfer*** authority referenced in the joint explanatory statement accompanying this Act, or any authority whereby a department, agency, or instrumentality of the United States Government may provide goods or services to another department, agency, or instrumentality. (c) The head of any relevant department or agency funded in this Act utilizing any ***transfer*** authority shall submit to the Committees on Appropriations of both Houses of Congress a semiannual report detailing the ***transfer*** authorities, except for any authority whereby a department, agency, or instrumentality of the United States Government may provide goods or services to another department, agency, or instrumentality, used in the previous 6 months and in the ***year***-to-date. This report shall include the amounts ***transferred*** and the purposes for which they were ***transferred***, and shall not replace or modify existing notification requirements for each authority. Sec. 503. None of the funds made available by this Act may be used in contravention of Executive Order No. 12898 of February 11, 1994 (Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations). Sec. 504. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. Sec. 505. For an additional amount for ``Department of the Interior--Bureau of Reclamation--Water and Related Resources'', $21,400,000, to remain available until expended, for ***transfer*** to Reclamation's Upper Colorado River Basin Fund to carry out environmental stewardship and endangered species recovery efforts pursuant to the Grand Canyon Protection Act of 1992 (Public Law 102-575), Public Law 106-392, the Colorado River Basin Project Act (43 U.S.C 1551(b)), and the Act of April 11, 1956 (commonly known as the ``Colorado River Storage Project Act'') (43 U.S.C 620n). This division may be cited as the ``Energy and Water Development and Related Agencies Appropriations Act, 2019''. DIVISION B--LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2019 TITLE I LEGISLATIVE BRANCH SENATE ***Payment*** to Widows and Heirs of Deceased Members of Congress For ***payment*** to Cindy H. McCain, widow of John Sidney McCain III, late a Senator from the State of Arizona, $174,000. Expense Allowances For expense allowances of the Vice President, $18,760; the President Pro Tempore of the Senate, $37,520; Majority Leader of the Senate, $39,920; Minority Leader of the Senate, $39,920; Majority Whip of the Senate, $9,980; Minority Whip of the Senate, $9,980; President Pro Tempore Emeritus, $15,000; Chairmen of the Majority and Minority Conference Committees, $4,690 for each Chairman; and Chairmen of the Majority and Minority Policy Committees, $4,690 for each Chairman; in all, $189,840. For representation allowances of the Majority and Minority Leaders of the Senate, $14,070 for each such Leader; in all, $28,140. Salaries, Officers and Employees For compensation of officers, employees, and others as authorized by law, including agency contributions, $208,390,812, which shall be paid from this appropriation as follows: office of the vice president For the Office of the Vice President, $2,484,248. office of the president pro tempore For the Office of the President Pro Tempore, $744,466. office of the president pro tempore emeritus For the Office of the President Pro Tempore Emeritus, $319,000. offices of the majority and minority leaders For Offices of the Majority and Minority Leaders, $5,399,576. offices of the majority and minority whips For Offices of the Majority and Minority Whips, $3,455,424. committee on appropriations For salaries of the Committee on Appropriations, $15,496,000. conference committees For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $1,704,000 for each such committee; in all, $3,408,000. offices of the secretaries of the conference of the majority and the conference of the minority For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $843,402. policy committees For salaries of the Majority Policy Committee and the Minority Policy Committee, $1,740,905 for each such committee; in all, $3,481,810. office of the chaplain For Office of the Chaplain, $474,886. office of the secretary For Office of the Secretary, $26,315,000. office of the sergeant at arms and doorkeeper For Office of the Sergeant at Arms and Doorkeeper, $84,157,000. offices of the secretaries for the majority and minority For Offices of the Secretary for the Majority and the Secretary for the Minority, $1,900,000. agency contributions and related expenses For agency contributions for employee benefits, as authorized by law, and related expenses, $59,912,000. Office of the Legislative Counsel of the Senate For salaries and expenses of the Office of the Legislative Counsel of the Senate, $6,278,000. Office of Senate Legal Counsel For salaries and expenses of the Office of Senate Legal Counsel, $1,176,000. [[Page H7954]] Expense Allowances of the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and Minority of the Senate For expense allowances of the Secretary of the Senate, $7,110; Sergeant at Arms and Doorkeeper of the Senate, $7,110; Secretary for the Majority of the Senate, $7,110; Secretary for the Minority of the Senate, $7,110; in all, $28,440. Contingent Expenses of the Senate inquiries and investigations For expenses of inquiries and investigations ordered by the Senate, or conducted under paragraph 1 of rule XXVI of the Standing Rules of the Senate, section 112 of the Supplemental Appropriations and Rescission Act, 1980 (Public Law 96-304), and Senate Resolution 281, 96th Congress, agreed to March 11, 1980, $133,265,000, of which $26,650,000 shall remain available until September 30, 2021. u.s senate caucus on international narcotics control For expenses of the United States Senate Caucus on International Narcotics Control, $508,000. secretary of the senate For expenses of the Office of the Secretary of the Senate, $10,036,000 of which $6,436,000 shall remain available until September 30, 2023 and of which $3,600,000 shall remain available until expended. sergeant at arms and doorkeeper of the senate For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, $126,595,000, which shall remain available until September 30, 2023. miscellaneous items For miscellaneous items, $18,871,410 which shall remain available until September 30, 2021. senators' official personnel and office expense account For Senators' Official Personnel and Office Expense Account, $429,000,000 of which $20,128,950 shall remain available until September 30, 2021 and of which $5,000,000 shall be allocated solely for the purpose of providing financial compensation to Senate interns. official mail costs For expenses necessary for official mail costs of the Senate, $300,000. Administrative Provisions requiring amounts remaining in senators' official personnel and office expense account to be used for deficit reduction or to reduce the federal debt Sec. 101. Notwithstanding any other provision of law, any amounts appropriated under this Act under the heading ``SENATE'' under the heading ``Contingent Expenses of the Senate'' under the heading ``senators' official personnel and office expense account'' shall be available for obligation only during the fiscal ***year*** or fiscal ***years*** for which such amounts are made available. Any unexpended balances under such allowances remaining after the end of the period of availability shall be returned to the Treasury in accordance with the undesignated paragraph under the center heading ``GENERAL PROVISION'' under chapter XI of the Third Supplemental Appropriation Act, 1957 (2 U.S.C 4107) and used for deficit reduction (or, if there is no Federal budget deficit after all such ***payments*** have been made, for reducing the Federal debt, in such manner as the Secretary of the Treasury considers appropriate). filing by senate candidates with commission Sec. 102. Section 302(g) of the Federal Election Campaign Act of 1971 (52 U.S.C 30102(g)) is amended to read as follows: ``(g) Filing With the Commission.--All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''. extension of authority Sec. 103. Section 21(d) of Senate Resolution 64 of the One Hundred Thirteenth Congress, 1st session (agreed to on March 5, 2013), as amended by section 178 of the Continuing Appropriations Act, 2017 (division C of Public Law 114-223), is further amended by striking ``December 31, 2018'' and inserting ``December 31, 2020''. HOUSE OF REPRESENTATIVES Salaries and Expenses For salaries and expenses of the House of Representatives, $1,232,663,035, as follows: House Leadership Offices For salaries and expenses, as authorized by law, $25,378,875, including: Office of the Speaker, $7,123,634, including $25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $2,642,739, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $7,751,946, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, $2,197,163, including $5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, $1,700,079, including $5,000 for official expenses of the Minority Whip; Republican Conference, $2,186,819; Democratic Caucus, $1,776,495: Provided, That such amount for salaries and expenses shall remain available from January 3, 2019 until January 2, 2020. Members' Representational Allowances Including Members' Clerk Hire, Official Expenses of Members, and Official Mail For Members' representational allowances, including Members' clerk hire, official expenses, and official mail, $573,630,000. Intern Allowance For ***payments*** from the allowance established under section 120 of this Act for the compensation of interns who serve in the offices of Members of the House of Representatives, $8,800,000. Committee Employees Standing Committees, Special and Select For salaries and expenses of standing committees, special and select, authorized by House resolutions, $127,903,173: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2020, except that $4,000,000 of such amount shall remain available until expended for committee room upgrading. Committee on Appropriations For salaries and expenses of the Committee on Appropriations, $23,112,971, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2020. Salaries, Officers and Employees For compensation and expenses of officers and employees, as authorized by law, $220,345,000, including: for salaries and expenses of the Office of the Clerk, including the positions of the Chaplain and the Historian, and including not more than $25,000 for official representation and reception expenses, of which not more than $20,000 is for the Family Room and not more than $2,000 is for the Office of the Chaplain, $28,305,000; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages and the Office of Emergency Management, and including not more than $3,000 for official representation and reception expenses, $18,773,000 of which $5,524,000 shall remain available until expended; for salaries and expenses of the Office of the Chief Administrative Officer including not more than $3,000 for official representation and reception expenses, $148,058,000, of which $11,631,000 shall remain available until expended; for salaries and expenses of the Office of the Inspector General, $5,019,000; for salaries and expenses of the Office of General Counsel, $1,502,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian, $2,000 for preparing the Digest of Rules, and not more than $1,000 for official representation and reception expenses, $2,026,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $3,327,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $11,937,000; for salaries and expenses of the Office of Interparliamentary Affairs, $814,000; for other authorized employees, $584,000. Allowances and Expenses For allowances and expenses as authorized by House resolution or law, $253,493,016, including: supplies, materials, administrative costs and Federal tort claims, $525,016; official mail for committees, leadership offices, and administrative offices of the House, $190,000; Government contributions for health, retirement, Social Security, and other applicable employee benefits, $228,200,000, to remain available until March 31, 2020; Business Continuity and Disaster Recovery, $16,186,000 of which $5,000,000 shall remain available until expended; transition activities for new members and staff, $3,000,000, to remain available until expended; Wounded Warrior ***Program*** $3,000,000, to remain available until expended; Office of Congressional Ethics, $1,670,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, $722,000. Administrative Provisions requiring amounts remaining in members' representational allowances to be used for deficit reduction or to reduce the federal debt Sec. 110. (a) Notwithstanding any other provision of law, any amounts appropriated under this Act for ``HOUSE OF REPRESENTATIVES--Salaries and Expenses--Members' Representational Allowances'' shall be available only for fiscal ***year*** 2019. Any amount remaining after all ***payments*** are made under such allowances for fiscal ***year*** 2019 shall be deposited in the Treasury and used for deficit reduction (or, if there is no Federal budget deficit after all such ***payments*** have been made, for reducing the Federal debt, in such manner as the Secretary of the Treasury considers appropriate). (b) Regulations.--The Committee on House Administration of the House of Representatives shall have authority to prescribe regulations to carry out this section. (c) Definition.--As used in this section, the term ``Member of the House of Representatives'' means a Representative in, or a Delegate or Resident Commissioner to, the Congress. delivery of bills and resolutions Sec. 111. (a) None of the funds made available in any fiscal ***year*** may be used to deliver [[Page H7955]] a printed copy of a bill, joint resolution, or resolution to the office of a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress) unless the Member requests a copy. (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. delivery of congressional record Sec. 112. (a) None of the funds made available in any fiscal ***year*** may be used to deliver a printed copy of any version of the Congressional Record to the office of a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress). (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. limitation on amount available to lease vehicles Sec. 113. None of the funds made available in this Act may be used by the Chief Administrative Officer of the House of Representatives to make any ***payments*** from any Members' Representational Allowance for the leasing of a vehicle, excluding mobile district offices, in an aggregate amount that exceeds $1,000 for the vehicle in any month. limitation on printed copies of u.s code to house Sec. 114. (a) None of the funds made available in any fiscal ***year*** may be to provide an aggregate number of more than 50 printed copies of any edition of the United States Code to all offices of the House of Representatives. (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. delivery of reports of disbursements Sec. 115. (a) None of the funds made available in any fiscal ***year*** may be used to deliver a printed copy of the report of disbursements for the operations of the House of Representatives under section 106 of the House of Representatives Administration Reform Technical Corrections Act (2 U.S.C 5535) to the office of a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress). (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. delivery of daily ***calendar*** Sec. 116. (a) None of the funds made available in any fiscal ***year*** may be used to deliver to the office of a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress) a printed copy of the Daily ***Calendar*** of the House of Representatives which is prepared by the Clerk of the House of Representatives. (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. delivery of congressional pictorial directory Sec. 117. (a) None of the funds made available in any fiscal ***year*** may be used to deliver a printed copy of the Congressional Pictorial Directory to the office of a Member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress). (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. repeal of authorizations for former speakers Sec. 118. (a) Repeal of Authorizations for Office Space, Office Expenses, Franking and Printing Privileges, and Staff.--The first section and sections 2, 4, 5, and 8 of House Resolution 1238, Ninety-first Congress, agreed to December 22, 1970 (as enacted into permanent law by chapter VIII of the Supplemental Appropriations Act, 1971) (2 U.S.C 5125(a), 5126, 5127, 5128, and 5129) are repealed. (b) Conforming Amendment.--Subsection (b) of the first section of Public Law 93-532 (2 U.S.C 5125(b)) is repealed. (c) Effective Date.--The amendments made by this section shall apply with respect to any individual who serves as a Representative in Congress during the One Hundred Fifteenth Congress or any succeeding Congress. ***transfer*** authority Sec. 119. (a) Authority To Make ***Transfers*** Among House Leadership Offices.--Section 101 of the Legislative Branch Appropriations Act, 1993 (2 U.S.C 5507) is amended by adding at the end the following new subsection: ``(f) Amounts appropriated for any fiscal ***year*** for the House of Representatives under the heading `House Leadership Offices' may be ***transferred*** among and merged with the various offices and activities under such heading, effective upon the expiration of the 21-day period (or such alternative period that may be imposed by the Committee on Appropriations of the House of Representatives) which begins on the date such Committee has been notified of the ***transfer***.''. (b) Effective Date.--The amendment made by subsection (a) shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. allowance for compensation of interns in member offices Sec. 120. (a) Establishment of Allowance.--There is established for the House of Representatives an allowance which shall be available for the compensation of interns who serve in the offices of Members of the House of Representatives. (b) Cap on Amount Available Per Office.--An office of a Member of the House of Representatives may not use more than $20,000 of the allowance under this section during any ***calendar*** ***year***. (c) Benefit Exclusion.--Section 104(b) of the House of Representatives Administrative Reform Technical Corrections Act (2 U.S.C 5321(b)) shall apply with respect to an intern who is compensated under the allowance under this section in the same manner as such section applies with respect to an intern who is compensated under the Members' Representational Allowance. (d) No Effect on ***Payment*** of Interns Under Members' Representational Allowance.--Nothing in this section may be construed to affect the use of the Members' Representational Allowance for the compensation of interns, as provided under section 104 of the House of Representatives Administrative Reform Technical Corrections Act (2 U.S.C 5321). (e) Definitions.--In this section-- (1) the term ``intern'' has the meaning given such term in section 104(c)(2) of the House of Representatives Administrative Reform Technical Corrections Act (2 U.S.C 5321(c)(2)); and (2) the term ``Member of the House of Representatives'' means a Representative in, or a Delegate or Resident Commissioner to, the Congress. (f) Authorization of Appropriations.--There are authorized to be appropriated to carry out this section $8,800,000 for fiscal ***year*** 2019. JOINT ITEMS For Joint Committees, as follows: Joint Economic Committee For salaries and expenses of the Joint Economic Committee, $4,203,000, to be disbursed by the Secretary of the Senate. Joint Committee on Taxation For salaries and expenses of the Joint Committee on Taxation, $11,169,000, to be disbursed by the Chief Administrative Officer of the House of Representatives. For other joint items, as follows: Office of the Attending Physician For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of $2,175 per month to the Attending Physician; (2) an allowance of $1,300 per month to the Senior Medical Officer; (3) an allowance of $725 per month each to three medical officers while on duty in the Office of the Attending Physician; (4) an allowance of $725 per month to 2 assistants and $580 per month each not to exceed 11 assistants on the basis heretofore provided for such assistants; and (5) $2,740,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $3,798,000, to be disbursed by the Chief Administrative Officer of the House of Representatives. Office of Congressional Accessibility Services Salaries and Expenses For salaries and expenses of the Office of Congressional Accessibility Services, $1,486,000, to be disbursed by the Secretary of the Senate. CAPITOL POLICE Salaries For salaries of employees of the Capitol Police, including overtime, hazardous duty pay, and Government contributions for health, retirement, social security, professional liability insurance, and other applicable employee benefits, $374,804,000 of which overtime shall not exceed $43,668,000 unless the Committee on Appropriations of the House and Senate are notified, to be disbursed by the Chief of the Capitol Police or his designee. General Expenses For necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance ***program***, the awards ***program***, postage, communication services, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and not more than $5,000 to be expended on the certification of the Chief of the Capitol Police in connection with official representation and reception expenses, $81,504,000, to be disbursed by the Chief of the Capitol Police or his designee: Provided, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal ***year*** 2019 shall be paid by the Secretary of Homeland Security from funds available to the Department of Homeland Security. OFFICE OF COMPLIANCE Salaries and Expenses For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 [[Page H7956]] (2 U.S.C 1385), $6,332,670, of which $1,000,000 shall remain available until September 30, 2020: Provided, That not more than $500 may be expended on the certification of the Executive Director of the Office of Compliance in connection with official representation and reception expenses. CONGRESSIONAL BUDGET OFFICE Salaries and Expenses For salaries and expenses necessary for operation of the Congressional Budget Office, including not more than $6,000 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, $50,737,000: Provided, that the Director shall use not less than $500,000 of the amount made available under this heading for (1) improving technical systems, processes, and models for the purpose of improving the transparency of estimates of budgetary effects to Members of Congress, employees of Members of Congress, and the public, and (2) to increase the availability of models, economic assumptions, and data for Members of Congress, employees of Members of Congress, and the public. ARCHITECT OF THE CAPITOL Capital Construction and Operations For salaries for the Architect of the Capitol, and other personal services, at rates of pay provided by law; for all necessary expenses for surveys and studies, construction, operation, and general and administrative support in connection with facilities and activities under the care of the Architect of the Capitol including the Botanic Garden; electrical substations of the Capitol, Senate and House office buildings, and other facilities under the jurisdiction of the Architect of the Capitol; including furnishings and office equipment; including not more than $5,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance, and operation of a passenger motor vehicle, $103,962,000. Capitol Building For all necessary expenses for the maintenance, care and operation of the Capitol, $43,992,000, of which $17,344,000 shall remain available until September 30, 2023. Capitol Grounds For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, $16,761,000, of which $5,519,000 shall remain available until September 30, 2023. House Office Buildings For all necessary expenses for the maintenance, care and operation of the House office buildings, $187,098,000, of which $65,552,000 shall remain available until September 30, 2023, and of which $62,000,000 shall remain available until expended for the restoration and renovation of the Cannon House Office Building; Provided, That of the amount made available under this heading, $7,000,000 shall be derived by ***transfer*** from the House Office Building Fund established under section 176(d) of the Continuing Appropriations Act, 2017, as added by section 101(3) of the Further Continuing Appropriation Act, 2017 (Public Law 114-254; 2 U.S.C 2001 note). In addition, for a ***payment*** to the House Historic Buildings Revitalization Trust Fund, $10,000,000, to remain available until expended. Senate Office Buildings For all necessary expenses for the maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, $93,562,000, of which $31,162,000 shall remain available until September 30, 2023. Capitol Power Plant For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Publishing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, $114,050,000, of which $31,362,000 shall remain available until September 30, 2023: Provided, That not more than $9,000,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal ***year*** 2019. Library Buildings and Grounds For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $68,525,000, of which $40,403,000 shall remain available until September 30, 2023. Capitol Police Buildings, Grounds and Security For all necessary expenses for the maintenance, care and operation of buildings, grounds and security enhancements of the United States Capitol Police, wherever located, the Alternate Computing Facility, and Architect of the Capitol security operations, $57,714,000, of which $31,777,000 shall remain available until September 30, 2023. Botanic Garden For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $14,759,000, of which $3,559,000 shall remain available until September 30, 2023: Provided, That, of the amount made available under this heading, the Architect of the Capitol may obligate and expend such sums as may be necessary for the maintenance, care and operation of the National Garden established under section 307E of the Legislative Branch Appropriations Act, 1989 (2 U.S.C 2146), upon vouchers approved by the Architect of the Capitol or a duly authorized designee. Capitol Visitor Center For all necessary expenses for the operation of the Capitol Visitor Center, $23,322,000. Administrative Provisions no bonuses for contractors behind schedule or over budget Sec. 130. None of the funds made available in this Act for the Architect of the Capitol may be used to make incentive or award ***payments*** to contractors for work on contracts or ***programs*** for which the contractor is behind schedule or over budget, unless the Architect of the Capitol, or agency- employed designee, determines that any such deviations are due to unforeseeable events, government-driven scope changes, or are not significant within the overall scope of the project and/or ***program***. scrims Sec. 131. (a) None of the funds made available by this Act may be used for scrims containing photographs of building facades during restoration or construction projects performed by the Architect of the Capitol. (b) This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. security ***programs*** Sec. 132. (a) Purpose of ***Programs***.--Section 906(b) of the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States (2 U.S.C 1865(b)) is amended to read as follows: ``(b) Funds in the account shall be used by the Architect of the Capitol for all necessary expenses for-- ``(1) resilience and security ***programs*** of the Architect of the Capitol; and ``(2) the maintenance, care, and operation of buildings, grounds, and security enhancements for facilities of the United States Capitol Police and for other facilities associated with such resilience and security ***programs*** at any location.''. (b) ***Transfers*** of Funds.--Section 906 of such Act (2 U.S.C 1865) is amended-- (1) by redesignating subsection (c) as subsection (d); and (2) by inserting after subsection (b) the following new subsection: ``(c)(1) For carrying out the purposes of the account, the Architect of the Capitol may receive ***transfers*** of appropriations from any agency of the Legislative Branch upon the approval of-- ``(A) the Committee on Appropriations of the House of Representatives, in the case of a ***transfer*** from an office of the House of Representatives; ``(B) the Committee on Appropriations of the Senate, in the case of a ***transfer*** from an office of the Senate; or ``(C) the Committees on Appropriations of the House of Representatives and the Senate, in the case of a ***transfer*** from any other office of the Government. ``(2) Amounts ***transferred*** under this subsection shall be merged with the account and made available under this section. ``(3) This subsection shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***.''. increase in threshold for small purchase contracting authority Sec. 133. (a) 2 U.S.C 1821 is amended by adding before ``Notwithstanding any other provision of law--'' the following text: ``To promote efficiency and economy in contracting and to avoid unnecessary burdens, the Architect of the Capitol is granted authority to utilize special simplified procedures for purchases of property and services the aggregate amount of which does not exceed $250,000.''. (b) The amendment made by subsection (a) shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. interagency details Sec. 134. (a) Authorizing Details of Employees Under Joint Agency Agreements.--In addition to any other authority relating to the detail of employees, the Architect of the Capitol and the head of any other department, agency, or instrumentality of the United States Government may enter into a joint agency agreement under which-- (1) employees of the Office of the Architect of the Capitol (including employees of the United States Botanic Garden) may be detailed to such department, agency, or instrumentality on a reimbursable or non-reimbursable basis; and [[Page H7957]] (2) employees of such department, agency, or instrumentality may be detailed to the Office of the Architect of the Capitol on a reimbursable or non- reimbursable basis. (b) Duration.--The detail of an employee under a joint agency agreement under this section shall be for such duration as may be provided in the agreement, except that in the case of a detail made on a non-reimbursable basis, the duration of the detail may not exceed one ***year*** unless the Architect of the Capitol and the head of the department, agency, or instrumentality involved each determine that an extension of the detail of the employee is in the public interest. (c) No Effect on Appropriations of Recipient of Non- reimbursable Detail.--For purposes of any law, rule, or regulation, the detail of an employee on a non-reimbursable basis under a joint agency agreement under this section for a fiscal ***year*** shall not be treated as an increase or modification of the appropriation for the fiscal ***year*** of the office to whom the employee is detailed. (d) Effective Date.--This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. acceptance of travel expenses from non-federal sources Sec. 135. (a) Permitting Acceptance of Expenses.-- Notwithstanding any other provision of law, the Architect of the Capitol may accept ***payment*** or authorize an employee of the Office of the Architect of the Capitol to accept ***payment*** on the Office's behalf from non-Federal sources for travel, subsistence, and related expenses with respect to attendance of the employee (or the spouse of such employee) at any meeting or similar function relating to the employee's official duties. Any cash ***payment*** so accepted shall be credited to the appropriation applicable to such expenses. In the case of a ***payment*** in kind so accepted, a pro rata reduction shall be made in any entitlement of the employee to ***payment*** from the Government for such expenses. (b) Prohibiting Acceptance From Other Sources.--Except as provided in this section or section 7342 of title 5, United States Code, the Office or an employee of the Office may not accept ***payment*** for expenses referred to in subsection (a). An employee who accepts any ***payment*** in violation of the preceding sentence-- (1) may be required, in addition to any penalty provided by law, to repay, for deposit in the general fund of the Treasury, an amount equal to the amount of the ***payment*** so accepted; and (2) in the case of a repayment under paragraph (1), shall not be entitled to any ***payment*** from the Government for such expenses. (c) Effective Date.--This section shall apply with respect to fiscal ***year*** 2019 and each succeeding fiscal ***year***. LIBRARY OF CONGRESS Salaries and Expenses For all necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Library's catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $480,052,000, of which not more than $6,000,000 shall be derived from collections credited to this appropriation during fiscal ***year*** 2019, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C 150): Provided, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than $6,000,000: Provided further, That of the total amount appropriated, not more than $12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices: Provided further, That of the total amount appropriated, $8,855,000 shall remain available until expended for the digital collections and educational curricula ***program***: Provided further, That of the total amount appropriated, $1,318,000 shall remain available until expended for upgrade of the Legislative Branch Financial Management System: Provided further, That of the total amount appropriated, $250,000 shall remain available until expended for the Surplus Books ***Program*** to promote the ***program*** and facilitate a greater number of donations to eligible entities across the United States: Provided further, That of the total amount appropriated, $2,383,000 shall remain available until expended for the Veterans History Project to continue digitization efforts of already collected materials, reach a greater number of veterans to record their stories, and promote public access to the Project. Copyright Office salaries and expenses For all necessary expenses of the Copyright Office, $93,407,000, of which not more than $39,218,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal ***year*** 2019 under section 708(d) of title 17, United States Code: Provided, That the Copyright Office may not obligate or expend any funds derived from collections under such section, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That not more than $6,272,000 shall be derived from collections during fiscal ***year*** 2019 under sections 111(d)(2), 119(b)(3), 803(e), 1005, and 1316 of such title: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than $45,490,000: Provided further, That $4,328,000 shall be derived from prior ***year*** unobligated balances: Provided further, That not more than $100,000 of the amount appropriated is available for the maintenance of an ``International Copyright Institute'' in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: Provided further, That not more than $6,500 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute and for copyright delegations, visitors, and seminars: Provided further, That, notwithstanding any provision of chapter 8 of title 17, United States Code, any amounts made available under this heading which are attributable to royalty fees and ***payments*** received by the Copyright Office pursuant to sections 111, 119, and chapter 10 of such title may be used for the costs incurred in the administration of the Copyright Royalty Judges ***program***, with the exception of the costs of salaries and benefits for the Copyright Royalty Judges and staff under section 802(e). Congressional Research Service salaries and expenses For all necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C 166) and to revise and extend the Annotated Constitution of the United States of America, $125,688,000: Provided, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate: Provided further, That this prohibition does not apply to publication of non-confidential Congressional Research Service (CRS) products: Provided further, That a non-confidential CRS product includes any written product containing research or analysis that is currently available for general congressional access on the CRS Congressional Intranet, or that would be made available on the CRS Congressional Intranet in the normal course of business and does not include material prepared in response to Congressional requests for confidential analysis or research. Books for the Blind and Physically Handicapped salaries and expenses For all necessary expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C 135a), $52,783,000: Provided, That of the total amount appropriated, $650,000 shall be available to contract to provide newspapers to blind and physically handicapped residents at no cost to the individual. Administrative Provisions reimbursable and revolving fund activities Sec. 140. (a) In General.--For fiscal ***year*** 2019, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed $194,608,000. (b) Activities.--The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch. GOVERNMENT PUBLISHING OFFICE Congressional Publishing (including ***transfer*** of funds) For authorized publishing of congressional information and the distribution of congressional information in any format; publishing of Government publications authorized by law to be distributed to Members of Congress; and publishing, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $79,000,000: Provided, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under section 906 of title 44, United States Code: Provided further, That this appropriation shall be available for the ***payment*** of obligations incurred under the appropriations for similar purposes for preceding fiscal ***years***: Provided further, That notwithstanding the 2-***year*** limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter 7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the [[Page H7958]] date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code: Provided further, That unobligated or unexpended balances of expired discretionary funds made available under this heading in this Act for this fiscal ***year*** may be ***transferred*** to, and merged with, funds under the heading ``Government Publishing Office Business Operations Revolving Fund'' no later than the end of the fifth fiscal ***year*** after the last fiscal ***year*** for which such funds are available for the purposes for which appropriated, to be available for carrying out the purposes of this heading, subject to the approval of the Committee on Appropriations of the House of Representatives and the Senate: Provided further, That notwithstanding sections 901, 902, and 906 of title 44, United States Code, this appropriation may be used to prepare indexes to the Congressional Record on only a monthly and session basis. Public Information ***Programs*** of the Superintendent of Documents salaries and expenses (including ***transfer*** of funds) For expenses of the public information ***programs*** of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, $32,000,000: Provided, That amounts of not more than $2,000,000 from current ***year*** appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for fiscal ***years*** 2017 and 2018 to depository and other designated libraries: Provided further, That unobligated or unexpended balances of expired discretionary funds made available under this heading in this Act for this fiscal ***year*** may be ***transferred*** to, and merged with, funds under the heading ``Government Publishing Office Business Operations Revolving Fund'' no later than the end of the fifth fiscal ***year*** after the last fiscal ***year*** for which such funds are available for the purposes for which appropriated, to be available for carrying out the purposes of this heading, subject to the approval of the Committee on Appropriations of the House of Representatives and the Senate. Government Publishing Office Business Operations Revolving Fund For ***payment*** to the Government Publishing Office Business Operations Revolving Fund, $6,000,000, to remain available until expended, for information technology development and facilities repair: Provided, That the Government Publishing Office is hereby authorized to make such expenditures, within the limits of funds available and in accordance with law, and to make such contracts and commitments without regard to fiscal ***year*** limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the ***programs*** and purposes set forth in the budget for the current fiscal ***year*** for the Government Publishing Office Business Operations Revolving Fund: Provided further, That not more than $7,500 may be expended on the certification of the Director of the Government Publishing Office in connection with official representation and reception expenses: Provided further, That the Business Operations Revolving Fund shall be available for the hire or purchase of not more than 12 passenger motor vehicles: Provided further, That expenditures in connection with travel expenses of the advisory councils to the Director of the Government Publishing Office shall be deemed necessary to carry out the provisions of title 44, United States Code: Provided further, That the Business Operations Revolving Fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: Provided further, That activities financed through the Business Operations Revolving Fund may provide information in any format: Provided further, That the Business Operations Revolving Fund and the funds provided under the heading ``Public Information ***Programs*** of the Superintendent of Documents'' may not be used for contracted security services at Government Publishing Office's passport facility in the District of Columbia. GOVERNMENT ACCOUNTABILITY OFFICE Salaries and Expenses For necessary expenses of the Government Accountability Office, including not more than $12,500 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger motor vehicle; advance ***payments*** in foreign countries in accordance with section 3324 of title 31, United States Code; benefits comparable to those payable under sections 901(5), (6), and (8) of the Foreign Service Act of 1980 (22 U.S.C 4081(5), (6), and (8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, $589,749,653: Provided, That, in addition, $35,900,000 of ***payments*** received under sections 782, 791, 3521, and 9105 of title 31, United States Code, shall be available without fiscal ***year*** limitation: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum's costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants: Provided further, That ***payments*** hereunder to the Forum may be credited as reimbursements to any appropriation from which costs involved are initially financed: Provided further, That this appropriation shall be available to ***transfer*** amounts to the Department of the Army for the expenses of constructing an Army facility at Redstone Arsenal for the sole, unlimited use of the Government Accountability Office, and (notwithstanding section 1502(a) of title 31, United States Code) shall be available to ***transfer*** such amounts without regard to the fiscal ***year*** in which such expenses are incurred: Provided further, That hereafter, amounts appropriated for the salaries and expenses of the Government Accountability Office shall be available to ***transfer*** to the Department of the Army for the maintenance of such facility. OPEN WORLD LEADERSHIP CENTER TRUST FUND For a ***payment*** to the Open World Leadership Center Trust Fund for financing activities of the Open World Leadership Center under section 313 of the Legislative Branch Appropriations Act, 2001 (2 U.S.C 1151), $5,600,000: Provided, That funds made available to support Russian participants shall only be used for those engaging in free market development, humanitarian activities, and civic engagement, and shall not be used for officials of the central government of Russia. JOHN C. STENNIS CENTER FOR PUBLIC SERVICE TRAINING AND DEVELOPMENT For ***payment*** to the John C. Stennis Center for Public Service Development Trust Fund established under section 116 of the John C. Stennis Center for Public Service Training and Development Act (2 U.S.C 1105), $430,000. TITLE II GENERAL PROVISIONS maintenance and care of private vehicles Sec. 201. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration. fiscal ***year*** limitation Sec. 202. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal ***year*** 2019 unless expressly so provided in this Act. rates of compensation and designation Sec. 203. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 (46 Stat. 32 et seq.) is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: Provided, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto. consulting services Sec. 204. The expenditure of any appropriation under this Act for any consulting service through procurement contract, under section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued under existing law. costs of lbfmc Sec. 205. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed $2,000. limitation on ***transfers*** Sec. 206. None of the funds made available in this Act may be ***transferred*** to any department, agency, or instrumentality of the United States Government, except pursuant to a ***transfer*** made by, or ***transfer*** authority provided in, this Act or any other appropriation Act. guided tours of the capitol Sec. 207. (a) Except as provided in subsection (b), none of the funds made available to the Architect of the Capitol in this Act [[Page H7959]] may be used to eliminate or restrict guided tours of the United States Capitol which are led by employees and interns of offices of Members of Congress and other offices of the House of Representatives and Senate, unless through regulations as authorized by section 402(b)(8) of the Capitol Visitor Center Act of 2008 (2 U.S.C 2242(b)(8)). (b) At the direction of the Capitol Police Board, or at the direction of the Architect of the Capitol with the approval of the Capitol Police Board, guided tours of the United States Capitol which are led by employees and interns described in subsection (a) may be suspended temporarily or otherwise subject to restriction for security or related reasons to the same extent as guided tours of the United States Capitol which are led by the Architect of the Capitol. limitation on telecommunications equipment procurement Sec. 208. (a) None of the funds appropriated or otherwise made available under this Act may be used to acquire telecommunications equipment produced by Huawei Technologies Company, ZTE Corporation or a high-impact or moderate-impact information system, as defined for security categorization in the National Institute of Standards and Technology's (NIST) Federal Information Processing Standard Publication 199, ``Standards for Security Categorization of Federal Information and Information Systems'' unless the agency, office, or other entity acquiring the equipment or system has-- (1) reviewed the supply chain risk for the information systems against criteria developed by NIST to inform acquisition decisions for high-impact and moderate-impact information systems within the Federal Government; (2) reviewed the supply chain risk from the presumptive awardee against available and relevant threat information provided by the Federal Bureau of Investigation and other appropriate agencies; and (3) in consultation with the Federal Bureau of Investigation or other appropriate Federal entity, conducted an assessment of any risk of cyber-espionage or sabotage associated with the acquisition of such system, including any risk associated with such system being produced, manufactured, or assembled by one or more entities identified by the United States Government as posing a cyber threat, including but not limited to, those that may be owned, directed, or subsidized by the People's Republic of China, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Russian Federation. (b) None of the funds appropriated or otherwise made available under this Act may be used to acquire a high-impact or moderate impact information system reviewed and assessed under subsection (a) unless the head of the assessing entity described in subsection (a) has-- (1) developed, in consultation with NIST and supply chain risk management experts, a mitigation strategy for any identified risks; (2) determined, in consultation with NIST and the Federal Bureau of Investigation, that the acquisition of such system is in the vital national security interest of the United States; and (3) reported that determination to the Committees on Appropriations of the House of Representatives and the Senate in a manner that identifies the system intended for acquisition and a detailed description of the mitigation strategies identified in (1), provided that such report may include a classified annex as necessary. prohibition on certain operational expenses Sec. 209. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities or other official government activities. plastic waste reduction Sec. 210. All agencies and offices funded by this division that contract with a food service provider or providers shall confer and coordinate with such food service provider or providers, in consultation with disability advocacy groups, to eliminate or reduce plastic waste, including waste from plastic straws, explore the use of biodegradable items, and increase recycling and composting opportunities. agency cost of living adjustments Sec. 211. (a) Each agency, office, or other entity that is provided appropriations under this Division shall report to the Committees on Appropriations of the House and Senate, not less than 30 days after enactment of this Act, specifying the dollar amount estimated for cost-of-living adjustments that was included in the fiscal ***year*** 2019 budget request for each appropriations account. (b) In the event that Executive Branch agencies do not receive a cost-of-living adjustment, such dollar amount reported pursuant to subsection (a) may be obligated and expended only upon written approval by the Chair and ranking minority member of the Subcommittee on the Legislative Branch of the Committee on Appropriations of the House of Representatives and by the Chair and ranking minority member of the Subcommittee on the Legislative Branch of the Committee on Appropriations of the Senate. (c) Pursuant to subsection (b), the agencies, offices, or other entities of the House of Representatives and the Senate require only the written approval of the Committee on Appropriations of their respective Chamber. adjustments to compensation Sec. 212. Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C 4501) (relating to cost of living adjustments for Members of Congress) during fiscal ***year*** 2019. This division may be cited as the ``Legislative Branch Appropriations Act, 2019''. DIVISION C--MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 TITLE I DEPARTMENT OF DEFENSE Military Construction, Army For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, $1,021,768,000, to remain available until September 30, 2023: Provided, That, of this amount, not to exceed $110,068,000 shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of the Army determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Navy and Marine Corps For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy and Marine Corps as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $2,118,619,000, to remain available until September 30, 2023: Provided, That, of this amount, not to exceed $185,542,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of the Navy determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Air Force For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,440,323,000, to remain available until September 30, 2023: Provided, That, of this amount, not to exceed $206,577,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of the Air Force determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Defense-Wide (including ***transfer*** of funds) For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $2,550,728,000, to remain available until September 30, 2023: Provided, That such amounts of this appropriation as may be determined by the Secretary of Defense may be ***transferred*** to such appropriations of the Department of Defense available for military construction or family housing as the Secretary may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which ***transferred***: Provided further, That, of the amount, not to exceed $192,345,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Army National Guard For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $190,122,000, to remain available until September 30, 2023: Provided, That, of the amount, not to exceed $16,622,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Director of the Army National Guard determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. [[Page H7960]] Military Construction, Air National Guard For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $129,126,000, to remain available until September 30, 2023: Provided, That, of the amount, not to exceed $18,500,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Director of the Air National Guard determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Army Reserve For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $64,919,000, to remain available until September 30, 2023: Provided, That, of the amount, not to exceed $5,855,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Chief of the Army Reserve determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Navy Reserve For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $43,065,000, to remain available until September 30, 2023: Provided, That, of the amount, not to exceed $4,695,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of the Navy determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor. Military Construction, Air Force Reserve For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $38,063,000, to remain available until September 30, 2023: Provided, That, of the amount, not to exceed $4,055,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Chief of the Air Force Reserve determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That, the Chief of the Air Force Reserve shall take immediate action to address unfunded military construction requirements for access control points and security issues at Air Force Reserve facilities. North Atlantic Treaty Organization Security Investment ***Program*** For the United States share of the cost of the North Atlantic Treaty Organization Security Investment ***Program*** for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized by section 2806 of title 10, United States Code, and Military Construction Authorization Acts, $171,064,000, to remain available until expended. Department of Defense Base Closure Account For deposit into the Department of Defense Base Closure Account, established by section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C 2687 note), $342,000,000, to remain available until expended. Family Housing Construction, Army For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $330,660,000, to remain available until September 30, 2023. Family Housing Operation and Maintenance, Army For expenses of family housing for the Army for operation and maintenance, including debt ***payment***, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $376,509,000. Family Housing Construction, Navy and Marine Corps For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $104,581,000, to remain available until September 30, 2023. Family Housing Operation and Maintenance, Navy and Marine Corps For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt ***payment***, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $314,536,000. Family Housing Construction, Air Force For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $78,446,000, to remain available until September 30, 2023. Family Housing Operation and Maintenance, Air Force For expenses of family housing for the Air Force for operation and maintenance, including debt ***payment***, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $317,274,000. Family Housing Operation and Maintenance, Defense-Wide For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, $58,373,000. Department of Defense Family Housing Improvement Fund For the Department of Defense Family Housing Improvement Fund, $1,653,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities. Department of Defense Military Unaccompanied Housing Improvement Fund For the Department of Defense Military Unaccompanied Housing Improvement Fund, $600,000, to remain available until expended, for unaccompanied housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military unaccompanied housing and supporting facilities. Administrative Provisions Sec. 101. None of the funds made available in this title shall be expended for ***payments*** under a cost-plus-a-fixed-fee contract for construction, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor. Sec. 102. Funds made available in this title for construction shall be available for hire of passenger motor vehicles. Sec. 103. Funds made available in this title for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense. Sec. 104. None of the funds made available in this title may be used to begin construction of new bases in the United States for which specific appropriations have not been made. Sec. 105. None of the funds made available in this title shall be used for purchase of land or land easements in excess of 100 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value by a Federal court; (2) purchases negotiated by the Attorney General or the designee of the Attorney General; (3) where the estimated value is less than $25,000; or (4) as otherwise determined by the Secretary of Defense to be in the public interest. Sec. 106. None of the funds made available in this title shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in annual Acts making appropriations for military construction. Sec. 107. None of the funds made available in this title for minor construction may be used to ***transfer*** or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations of both Houses of Congress. Sec. 108. None of the funds made available in this title may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement. Sec. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal ***year*** may be used to pay real property taxes in any foreign nation. Sec. 110. None of the funds made available in this title may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations of both Houses of Congress. Sec. 111. None of the funds made available in this title may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan, in any North Atlantic Treaty Organization member country, or in countries bordering the Arabian Gulf, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms. [[Page H7961]] Sec. 112. None of the funds made available in this title for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Gulf, may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: Provided, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 percent: Provided further, That this section shall not apply to contract awards for military construction on Kwajalein Atoll for which the lowest responsive and responsible bid is submitted by a Marshallese contractor. Sec. 113. The Secretary of Defense shall inform the appropriate committees of both Houses of Congress, including the Committees on Appropriations, of plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000. Sec. 114. Funds appropriated to the Department of Defense for construction in prior ***years*** shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress. Sec. 115. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any. Sec. 116. Notwithstanding any other provision of law, any funds made available to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal ***year*** after the fiscal ***year*** for which funds for such project were made available, if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law. (including ***transfer*** of funds) Sec. 117. Subject to 30 days prior notification, or 14 days for a notification provided in an electronic medium pursuant to sections 480 and 2883 of title 10, United States Code, to the Committees on Appropriations of both Houses of Congress, such additional amounts as may be determined by the Secretary of Defense may be ***transferred*** to: (1) the Department of Defense Family Housing Improvement Fund from amounts appropriated for construction in ``Family Housing'' accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund; or (2) the Department of Defense Military Unaccompanied Housing Improvement Fund from amounts appropriated for construction of military unaccompanied housing in ``Military Construction'' accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: Provided, That appropriations made available to the Funds shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169 of title 10, United States Code, pertaining to alternative means of acquiring and improving military family housing, military unaccompanied housing, and supporting facilities. (including ***transfer*** of funds) Sec. 118. In addition to any other ***transfer*** authority available to the Department of Defense, amounts may be ***transferred*** from the Department of Defense Base Closure Account to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C 3374) to pay for expenses associated with the Homeowners Assistance ***Program*** incurred under 42 U.S.C 3374(a)(1)(A). Any amounts ***transferred*** shall be merged with and be available for the same purposes and for the same time period as the fund to which ***transferred***. Sec. 119. Notwithstanding any other provision of law, funds made available in this title for operation and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including general or flag officer quarters: Provided, That not more than $35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days prior notification, or 14 days for a notification provided in an electronic medium pursuant to sections 480 and 2883 of title 10, United States Code, to the Committees on Appropriations of both Houses of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: Provided further, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations of both Houses of Congress all operation and maintenance expenditures for each individual general or flag officer quarters for the prior fiscal ***year***. Sec. 120. Amounts contained in the Ford Island Improvement Account established by subsection (h) of section 2814 of title 10, United States Code, are appropriated and shall be available until expended for the purposes specified in subsection (i)(1) of such section or until ***transferred*** pursuant to subsection (i)(3) of such section. (including ***transfer*** of funds) Sec. 121. During the 5-***year*** period after appropriations available in this Act to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be ***transferred*** into the appropriation ``Foreign Currency Fluctuations, Construction, Defense'', to be merged with and to be available for the same time period and for the same purposes as the appropriation to which ***transferred***. Sec. 122. (a) Except as provided in subsection (b), none of the funds made available in this Act may be used by the Secretary of the Army to relocate a unit in the Army that-- (1) performs a testing mission or function that is not performed by any other unit in the Army and is specifically stipulated in title 10, United States Code; and (2) is located at a military installation at which the total number of civilian employees of the Department of the Army and Army contractor personnel employed exceeds 10 percent of the total number of members of the regular and reserve components of the Army assigned to the installation. (b) Exception.--Subsection (a) shall not apply if the Secretary of the Army certifies to the congressional defense committees that in proposing the relocation of the unit of the Army, the Secretary complied with Army Regulation 5-10 relating to the policy, procedures, and responsibilities for Army stationing actions. Sec. 123. Amounts appropriated or otherwise made available in an account funded under the headings in this title may be ***transferred*** among projects and activities within the account in accordance with the reprogramming guidelines for military construction and family housing construction contained in Department of Defense Financial Management Regulation 7000.14-R, Volume 3, Chapter 7, of March 2011, as in effect on the date of enactment of this Act. Sec. 124. None of the funds made available in this title may be obligated or expended for planning and design and construction of projects at Arlington National Cemetery. Sec. 125. For an additional amount for the accounts and in the amounts specified, to remain available until September 30, 2023: ``Military Construction, Army'', $94,100,000; ``Military Construction, Navy and Marine Corps'', $196,850,000; ``Military Construction, Air Force'', $118,450,000; ``Military Construction, Army National Guard'', $22,000,000; ``Military Construction, Air National Guard'', $54,000,000; ``Military Construction, Army Reserve'', $23,000,000; and ``Military Construction, Air Force Reserve'', $84,800,000: Provided, That such funds may only be obligated to carry out construction projects identified in the respective military department's unfunded priority list for fiscal ***year*** 2019 submitted to Congress: Provided further, That such projects are subject to authorization prior to obligation and expenditure of funds to carry out construction: Provided further, That not later than 30 days after enactment of this Act, the Secretary of the military department concerned, or his or her designee, shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan for funds provided under this section. (rescissions of funds) Sec. 126. Of the unobligated balances available to the Department of Defense from prior appropriation Acts, the following funds are hereby rescinded from the following accounts in the amounts specified: ``NATO Security Investment ***Program***'', $25,000,000; ``Military Construction, Air Force'', $31,158,000; ``Military Construction, Army National Guard'', $10,000,000; ``Family Housing Construction, Navy and Marine Corps'', $2,138,000; and ``The fund established in section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C 3374)'', $15,333,000: Provided, That no amounts may be rescinded from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Sec. 127. For the purposes of this Act, the term ``congressional defense committees'' means the Committees on Armed Services of the House of Representatives and the Senate, [[Page H7962]] the Subcommittee on Military Construction and Veterans Affairs of the Committee on Appropriations of the Senate, and the Subcommittee on Military Construction and Veterans Affairs of the Committee on Appropriations of the House of Representatives. Sec. 128. None of the funds made available by this Act may be used to carry out the closure or realignment of the United States Naval Station, Guantanamo Bay, Cuba. Sec. 129. Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this or any other Act may be used to consolidate or relocate any element of a United States Air Force Rapid Engineer Deployable Heavy Operational Repair Squadron Engineer (RED HORSE) outside of the United States until the Secretary of the Air Force: (1) completes an analysis and comparison of the cost and infrastructure investment required to consolidate or relocate a RED HORSE squadron outside of the United States versus within the United States; (2) provides to the Committees on Appropriations of both Houses of Congress (``the Committees'') a report detailing the findings of the cost analysis; and (3) certifies in writing to the Committees that the preferred site for the consolidation or relocation yields the greatest savings for the Air Force: Provided, That the term ``United States'' in this section does not include any territory or possession of the United States. Sec. 130. Notwithstanding section 124 of this Act, for an additional amount for ``Military Construction, Army'' in this title, $30,000,000, to remain available until expended, is provided for completion of the Defense Access Roads project and land acquisition for Arlington National Cemetery as authorized by section 2101 of the National Defense Authorization Act for Fiscal ***Year*** 2016 (Public Law 114-92) and section 2829A of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328): Provided, That such funds shall be in addition to any other funds made available in this or prior ***year*** Acts for such purposes, including funds made available by section 132 of the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2016 (Public Law 114-113). Sec. 131. All amounts appropriated to the ``Department of Defense--Military Construction, Army'', ``Department of Defense--Military Construction, Navy and Marine Corps'', ``Department of Defense--Military Construction, Air Force'', and ``Department of Defense--Military Construction, Defense- Wide'' accounts pursuant to the authorization of appropriations in a National Defense Authorization Act specified for fiscal ***year*** 2019 in the funding table in section 4601 of that Act shall be immediately available and allotted to contract for the full scope of authorized projects. Sec. 132. For an additional amount for the accounts and in the amounts specified, for enhancing force protection and safety at military installations, to remain available until September 30, 2023: ``Military Construction, Navy and Marine Corps'', $50,000,000; and ``Military Construction, Air Force'', $50,000,000: Provided, That such projects are subject to authorization prior to obligation and expenditure of funds to carry out construction: Provided further, That not later than 30 days after enactment of this Act, the Secretary of the military department concerned, or his or her designee, shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan for funds provided under this section: Provided further, That the Secretary of the military department concerned may not obligate or expend any funds prior to approval by the Committees on Appropriations of both Houses of Congress of the expenditure plan required by this section. TITLE II DEPARTMENT OF VETERANS AFFAIRS Veterans Benefits Administration compensation and pensions (including ***transfer*** of funds) For the ***payment*** of compensation benefits to or on behalf of veterans and a pilot ***program*** for disability examinations as authorized by section 107 and chapters 11, 13, 18, 51, 53, 55, and 61 of title 38, United States Code; pension benefits to or on behalf of veterans as authorized by chapters 15, 51, 53, 55, and 61 of title 38, United States Code; and burial benefits, the Reinstated Entitlement ***Program*** for Survivors, emergency and other officers' retirement pay, adjusted- service credits and certificates, ***payment*** of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C App. 541 et seq.) and for other benefits as authorized by sections 107, 1312, 1977, and 2106, and chapters 23, 51, 53, 55, and 61 of title 38, United States Code, $2,994,366,000, which shall be in addition to funds previously appropriated under this heading that become available on October 1, 2018, to remain available until expended; and, in addition, $109,017,152,000 shall become available on October 1, 2019: Provided, That not to exceed $18,047,000 of the amount made available for fiscal ***year*** 2020 under this heading shall be reimbursed to ``General Operating Expenses, Veterans Benefits Administration'', and ``Information Technology Systems'' for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the ``Compensation and Pensions'' appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ``Medical Care Collections Fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized. readjustment benefits For the ***payment*** of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by chapters 21, 30, 31, 33, 34, 35, 36, 39, 41, 51, 53, 55, and 61 of title 38, United States Code, $14,065,282,000, to remain available until expended and to become available on October 1, 2019: Provided, That expenses for rehabilitation ***program*** services and assistance which the Secretary is authorized to provide under subsection (a) of section 3104 of title 38, United States Code, other than under paragraphs (1), (2), (5), and (11) of that subsection, shall be charged to this account. veterans insurance and indemnities For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by chapters 19 and 21, title 38, United States Code, $111,340,000, which shall become available on October 1, 2019, and shall remain available until expended. veterans housing benefit ***program*** fund For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the ***program***, as authorized by subchapters I through III of chapter 37 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That, during fiscal ***year*** 2019, within the resources available, not to exceed $500,000 in gross obligations for direct loans are authorized for specially adapted housing loans. In addition, for administrative expenses to carry out the direct and guaranteed loan ***programs***, $200,612,000. vocational rehabilitation loans ***program*** account For the cost of direct loans, $39,000, as authorized by chapter 31 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,037,000. In addition, for administrative expenses necessary to carry out the direct loan ***program***, $396,000, which may be paid to the appropriation for ``General Operating Expenses, Veterans Benefits Administration''. native american veteran housing loan ***program*** account For administrative expenses to carry out the direct loan ***program*** authorized by subchapter V of chapter 37 of title 38, United States Code, $1,163,000. general operating expenses, veterans benefits administration For necessary operating expenses of the Veterans Benefits Administration, not otherwise provided for, including hire of passenger motor vehicles, reimbursement of the General Services Administration for security guard services, and reimbursement of the Department of Defense for the cost of overseas employee mail, $2,956,316,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, That, of the funds made available under this heading, not to exceed 10 percent shall remain available until September 30, 2020. Veterans Health Administration medical services For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, bioengineering services, food services, and salaries and expenses of healthcare employees hired under title 38, United States Code, aid to State homes as authorized by section 1741 of title 38, United States Code, assistance and support services for caregivers as authorized by section 1720G of title 38, United States Code, loan repayments authorized by section 604 of the Caregivers and Veterans Omnibus Health Services Act of 2010 (Public Law 111-163; 124 Stat. 1174; 38 U.S.C 7681 note), monthly assistance allowances authorized by section 322(d) of title 38, United States Code, grants authorized by section 521A of title 38, United States Code, and administrative expenses necessary to carry out sections 322(d) and 521A of title 38, United States Code, and hospital care and medical services authorized by section 1787 of title 38, United States Code; $750,000,000, which shall be in addition to funds previously appropriated under this heading that become available on October 1, 2018; and, in [[Page H7963]] addition, $51,411,165,000, plus reimbursements, shall become available on October 1, 2019, and shall remain available until September 30, 2020: Provided, That, of the amount made available on October 1, 2019, under this heading, $1,500,000,000 shall remain available until September 30, 2021: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: Provided further, That the implementation of the ***program*** described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs: Provided further, That the Secretary of Veterans Affairs shall ensure that sufficient amounts appropriated under this heading for medical supplies and equipment are available for the acquisition of prosthetics designed specifically for female veterans. medical community care For necessary expenses for furnishing health care to individuals pursuant to chapter 17 of title 38, United States Code, at non-Department facilities, $1,000,000,000, which shall be in addition to funds previously appropriated under this heading that become available on October 1, 2018; and, in addition, $10,758,399,000, plus reimbursements, shall become available on October 1, 2019, and shall remain available until September 30, 2020: Provided, That, of the amount made available on October 1, 2019, under this heading, $2,000,000,000 shall remain available until September 30, 2021. medical support and compliance For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C 2651 et seq.), $7,239,156,000, plus reimbursements, shall become available on October 1, 2019, and shall remain available until September 30, 2020: Provided, That, of the amount made available on October 1, 2019, under this heading, $100,000,000 shall remain available until September 30, 2021. medical facilities For necessary expenses for the maintenance and operation of hospitals, nursing homes, domiciliary facilities, and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services; $90,180,000, which shall be in addition to funds previously appropriated under this heading that become available on October 1, 2018; and, in addition, $6,141,880,000, plus reimbursements, shall become available on October 1, 2019, and shall remain available until September 30, 2020: Provided, That, of the amount made available on October 1, 2019, under this heading, $250,000,000 shall remain available until September 30, 2021. medical and prosthetic research For necessary expenses in carrying out ***programs*** of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, $779,000,000, plus reimbursements, shall remain available until September 30, 2020: Provided, That of the amount made available under this heading, $27,000,000 shall remain available until September 30, 2023: Provided further, That the Secretary of Veterans Affairs shall ensure that sufficient amounts appropriated under this heading are available for prosthetic research specifically for female veterans, and for toxic exposure research. National Cemetery Administration For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; hire of passenger motor vehicles; and repair, alteration or improvement of facilities under the jurisdiction of the National Cemetery Administration, $315,836,000, of which not to exceed 10 percent shall remain available until September 30, 2020. Departmental Administration general administration (including ***transfer*** of funds) For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-wide capital planning, management and policy activities, uniforms, or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, $355,897,000, of which not to exceed 10 percent shall remain available until September 30, 2020: Provided, That funds provided under this heading may be ***transferred*** to ``General Operating Expenses, Veterans Benefits Administration''. board of veterans appeals For necessary operating expenses of the Board of Veterans Appeals, $174,748,000, of which not to exceed 10 percent shall remain available until September 30, 2020. information technology systems (including ***transfer*** of funds) For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for pay and associated costs; and for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, $4,103,000,000, plus reimbursements: Provided, That $1,199,220,000 shall be for pay and associated costs, of which not to exceed 3 percent shall remain available until September 30, 2020: Provided further, That $2,523,209,000 shall be for operations and maintenance, of which not to exceed 5 percent shall remain available until September 30, 2020: Provided further, That $380,571,000 shall be for information technology systems development, and shall remain available until September 30, 2020: Provided further, That amounts made available for salaries and expenses, operations and maintenance, and information technology systems development may be ***transferred*** among the three subaccounts after the Secretary of Veterans Affairs requests from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and an approval is issued: Provided further, That amounts made available for the ``Information Technology Systems'' account for development may be ***transferred*** among projects or to newly defined projects: Provided further, That no project may be increased or decreased by more than $1,000,000 of cost prior to submitting a request to the Committees on Appropriations of both Houses of Congress to make the ***transfer*** and an approval is issued, or absent a response, a period of 30 days has elapsed: Provided further, That the funds made available under this heading for information technology systems development shall be for the projects, and in the amounts, specified under this heading in the joint explanatory statement accompanying this Act. veterans electronic health record For activities related to implementation, preparation, development, interface, management, rollout, and maintenance of a Veterans Electronic Health Record system, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, and salaries and expenses of employees hired under titles 5 and 38, United States Code, $1,107,000,000, to remain available until September 30, 2021: Provided, That the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress quarterly reports detailing obligations, expenditures, and deployment implementation by facility: Provided further, That the funds provided in this account shall only be available to the Office of the Deputy Secretary, to be administered by that Office: Provided further, That none of the funds made available under this heading may be obligated in a manner inconsistent with deployment schedules provided to the Committees on Appropriations unless the Secretary of Veterans Affairs provides notification to the Committees on Appropriations of such change and an approval is issued. office of inspector general For necessary expenses of the Office of Inspector General, to include information technology, in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C App.), $192,000,000, of which not to exceed 10 percent shall remain available until September 30, 2020. construction, major projects For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406 and chapter 81 of title 38, United States Code, not otherwise provided for, including planning, architectural and engineering services, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds [[Page H7964]] for a project were made available in a previous major project appropriation, $1,127,486,000, of which $647,486,000 shall remain available until September 30, 2023, and of which $480,000,000 shall remain available until expended, of which $400,000,000 shall be available for seismic improvement projects and seismic ***program*** management activities, including for projects that would otherwise be funded by the Construction, Minor Projects, Medical Facilities or National Cemetery Administration accounts: Provided, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, including portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund, including needs assessments which may or may not lead to capital investments, and salaries and associated costs of the resident engineers who oversee those capital investments funded through this account and contracting officers who manage specific major construction projects, and funds provided for the purchase, security, and maintenance of land for the National Cemetery Administration through the land acquisition line item, none of the funds made available under this heading shall be used for any project that has not been notified to Congress through the budgetary process or that has not been approved by the Congress through statute, joint resolution, or in the explanatory statement accompanying such Act and presented to the President at the time of enrollment: Provided further, That funds made available under this heading for fiscal ***year*** 2019, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2019; and (2) by the awarding of a construction contract by September 30, 2020: Provided further, That the Secretary of Veterans Affairs shall promptly submit to the Committees on Appropriations of both Houses of Congress a written report on any approved major construction project for which obligations are not incurred within the time limitations established above: Provided further, That notwithstanding the requirements of section 8104(a) of title 38, United States Code, amounts made available under this heading for seismic improvement projects and seismic ***program*** management activities shall be available for the completion of both new and existing seismic projects of the Department. construction, minor projects For constructing, altering, extending, and improving any of the facilities, including parking projects, under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406 and chapter 81 of title 38, United States Code, not otherwise provided for, where the estimated cost of a project is equal to or less than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, $649,514,000, to remain available until September 30, 2023, along with unobligated balances of previous ``Construction, Minor Projects'' appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section: Provided, That funds made available under this heading shall be for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes. grants for construction of state extended care facilities For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131 through 8137 of title 38, United States Code, $150,000,000, to remain available until expended. grants for construction of veterans cemeteries For grants to assist States and tribal organizations in establishing, expanding, or improving veterans cemeteries as authorized by section 2408 of title 38, United States Code, $45,000,000, to remain available until expended. Administrative Provisions (including ***transfer*** of funds) Sec. 201. Any appropriation for fiscal ***year*** 2019 for ``Compensation and Pensions'', ``Readjustment Benefits'', and ``Veterans Insurance and Indemnities'' may be ***transferred*** as necessary to any other of the mentioned appropriations: Provided, That, before a ***transfer*** may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and such Committees issue an approval, or absent a response, a period of 30 days has elapsed. (including ***transfer*** of funds) Sec. 202. Amounts made available for the Department of Veterans Affairs for fiscal ***year*** 2019, in this or any other Act, under the ``Medical Services'', ``Medical Community Care'', ``Medical Support and Compliance'', and ``Medical Facilities'' accounts may be ***transferred*** among the accounts: Provided, That any ***transfers*** among the ``Medical Services'', ``Medical Community Care'', and ``Medical Support and Compliance'' accounts of 1 percent or less of the total amount appropriated to the account in this or any other Act may take place subject to notification from the Secretary of Veterans Affairs to the Committees on Appropriations of both Houses of Congress of the amount and purpose of the ***transfer***: Provided further, That any ***transfers*** among the ``Medical Services'', ``Medical Community Care'', and ``Medical Support and Compliance'' accounts in excess of 1 percent, or exceeding the cumulative 1 percent for the fiscal ***year***, may take place only after the Secretary requests from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and an approval is issued: Provided further, That any ***transfers*** to or from the ``Medical Facilities'' account may take place only after the Secretary requests from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and an approval is issued. Sec. 203. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code; hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901 through 5902 of title 5, United States Code. Sec. 204. No appropriations in this title (except the appropriations for ``Construction, Major Projects'', and ``Construction, Minor Projects'') shall be available for the purchase of any site for or toward the construction of any new hospital or home. Sec. 205. No appropriations in this title shall be available for hospitalization or examination of any persons (except beneficiaries entitled to such hospitalization or examination under the laws providing such benefits to veterans, and persons receiving such treatment under sections 7901 through 7904 of title 5, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.)), unless reimbursement of the cost of such hospitalization or examination is made to the ``Medical Services'' account at such rates as may be fixed by the Secretary of Veterans Affairs. Sec. 206. Appropriations available in this title for ``Compensation and Pensions'', ``Readjustment Benefits'', and ``Veterans Insurance and Indemnities'' shall be available for ***payment*** of prior ***year*** accrued obligations required to be recorded by law against the corresponding prior ***year*** accounts within the last quarter of fiscal ***year*** 2018. Sec. 207. Appropriations available in this title shall be available to pay prior ***year*** obligations of corresponding prior ***year*** appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable only from ``Compensation and Pensions''. (including ***transfer*** of funds) Sec. 208. Notwithstanding any other provision of law, during fiscal ***year*** 2019, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund under section 1920 of title 38, United States Code, the Veterans' Special Life Insurance Fund under section 1923 of title 38, United States Code, and the United States Government Life Insurance Fund under section 1955 of title 38, United States Code, reimburse the ``General Operating Expenses, Veterans Benefits Administration'' and ``Information Technology Systems'' accounts for the cost of administration of the insurance ***programs*** financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in such an insurance ***program*** during fiscal ***year*** 2019 that are available for dividends in that ***program*** after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of such an insurance ***program*** exceeds the amount of surplus earnings accumulated in that ***program***, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal ***year*** 2019 which is properly allocable to the provision of each such insurance ***program*** and to the provision of any total disability income insurance included in that insurance ***program***. Sec. 209. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal ***year*** for providing enhanced-use lease services, may be obligated during the fiscal ***year*** in which the proceeds are received. (including ***transfer*** of funds) Sec. 210. Funds available in this title or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management, the Office of Employment Discrimination Complaint Adjudication, the Office of Accountability and Whistleblower Protection, and the Office of Diversity and Inclusion for all services provided at rates which will recover [[Page H7965]] actual costs but not to exceed $48,431,000 for the Office of Resolution Management, $4,333,000 for the Office of Employment Discrimination Complaint Adjudication, $17,700,000 for the Office of Accountability and Whistleblower Protection, and $3,230,000 for the Office of Diversity and Inclusion: Provided, That ***payments*** may be made in advance for services to be furnished based on estimated costs: Provided further, That amounts received shall be credited to the ``General Administration'' and ``Information Technology Systems'' accounts for use by the office that provided the service. Sec. 211. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: Provided further, That any amounts so recovered for care or services provided in a prior fiscal ***year*** may be obligated by the Secretary during the fiscal ***year*** in which amounts are received. (including ***transfer*** of funds) Sec. 212. Notwithstanding any other provision of law, proceeds or revenues derived from enhanced-use leasing activities (including disposal) may be deposited into the ``Construction, Major Projects'' and ``Construction, Minor Projects'' accounts and be used for construction (including site acquisition and disposition), alterations, and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in ``Construction, Major Projects'' and ``Construction, Minor Projects''. Sec. 213. Amounts made available under ``Medical Services'' are available-- (1) for furnishing recreational facilities, supplies, and equipment; and (2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department. (including ***transfer*** of funds) Sec. 214. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be ***transferred*** to the ``Medical Services'' and ``Medical Community Care'' accounts to remain available until expended for the purposes of these accounts. Sec. 215. The Secretary of Veterans Affairs may enter into agreements with Federally Qualified Health Centers in the State of Alaska and Indian tribes and tribal organizations which are party to the Alaska Native Health Compact with the Indian Health Service, to provide healthcare, including behavioral health and dental care, to veterans in rural Alaska. The Secretary shall require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary. The term ``rural Alaska'' shall mean those lands which are not within the boundaries of the municipality of Anchorage or the Fairbanks North Star Borough. (including ***transfer*** of funds) Sec. 216. Such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be ***transferred*** to the ``Construction, Major Projects'' and ``Construction, Minor Projects'' accounts, to remain available until expended for the purposes of these accounts. Sec. 217. Not later than 30 days after the end of each fiscal quarter, the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a report on the financial status of the Department of Veterans Affairs for the preceding quarter: Provided, That, at a minimum, the report shall include the direction contained in the paragraph entitled ``Quarterly reporting'', under the heading ``General Administration'' in the joint explanatory statement accompanying Public Law 114-223. (including ***transfer*** of funds) Sec. 218. Amounts made available under the ``Medical Services'', ``Medical Community Care'', ``Medical Support and Compliance'', ``Medical Facilities'', ``General Operating Expenses, Veterans Benefits Administration'', ``Board of Veterans Appeals'', ``General Administration'', and ``National Cemetery Administration'' accounts for fiscal ***year*** 2019 may be ***transferred*** to or from the ``Information Technology Systems'' account: Provided, That such ***transfers*** may not result in a more than 10 percent aggregate increase in the total amount made available by this Act for the ``Information Technology Systems'' account: Provided further, That, before a ***transfer*** may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and an approval is issued. (including ***transfer*** of funds) Sec. 219. Of the amounts appropriated to the Department of Veterans Affairs for fiscal ***year*** 2019 for ``Medical Services'', ``Medical Community Care'', ``Medical Support and Compliance'', ``Medical Facilities'', ``Construction, Minor Projects'', and ``Information Technology Systems'', up to $301,578,000, plus reimbursements, may be ***transferred*** to the Joint Department of Defense--Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of the National Defense Authorization Act for Fiscal ***Year*** 2010 (Public Law 111-84; 123 Stat. 3571) and may be used for operation of the facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal ***Year*** 2009 (Public Law 110-417; 122 Stat. 4500): Provided, That additional funds may be ***transferred*** from accounts designated in this section to the Joint Department of Defense--Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Veterans Affairs to the Committees on Appropriations of both Houses of Congress: Provided further, That section 220 of title II of division J of Public Law 115-141 is repealed. (including ***transfer*** of funds) Sec. 220. Of the amounts appropriated to the Department of Veterans Affairs which become available on October 1, 2019, for ``Medical Services'', ``Medical Community Care'', ``Medical Support and Compliance'', and ``Medical Facilities'', up to $307,609,000, plus reimbursements, may be ***transferred*** to the Joint Department of Defense--Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of the National Defense Authorization Act for Fiscal ***Year*** 2010 (Public Law 111-84; 123 Stat. 3571) and may be used for operation of the facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal ***Year*** 2009 (Public Law 110-417; 122 Stat. 4500): Provided, That additional funds may be ***transferred*** from accounts designated in this section to the Joint Department of Defense--Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Veterans Affairs to the Committees on Appropriations of both Houses of Congress. (including ***transfer*** of funds) Sec. 221. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, for healthcare provided at facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal ***Year*** 2009 (Public Law 110-417; 122 Stat. 4500) shall also be available: (1) for ***transfer*** to the Joint Department of Defense--Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of the National Defense Authorization Act for Fiscal ***Year*** 2010 (Public Law 111-84; 123 Stat. 3571); and (2) for operations of the facilities designated as combined Federal medical facilities as described by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal ***Year*** 2009 (Public Law 110-417; 122 Stat. 4500): Provided, That, notwithstanding section 1704(b)(3) of the National Defense Authorization Act for Fiscal ***Year*** 2010 (Public Law 111-84; 123 Stat. 2573), amounts ***transferred*** to the Joint Department of Defense-- Department of Veterans Affairs Medical Facility Demonstration Fund shall remain available until expended. (including ***transfer*** of funds) Sec. 222. Of the amounts available in this title for ``Medical Services'', ``Medical Community Care'', ``Medical Support and Compliance'', and ``Medical Facilities'', a minimum of $15,000,000 shall be ***transferred*** to the DOD-VA Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code. Sec. 223. None of the funds available to the Department of Veterans Affairs, in this or any other Act, may be used to replace the current system by which the Veterans Integrated Service Networks select and contract for diabetes monitoring supplies and equipment. Sec. 224. The Secretary of Veterans Affairs shall notify the Committees on Appropriations of both Houses of Congress of all bid savings in a major construction project that total at least $5,000,000, or 5 percent of the ***programmed*** amount of the project, whichever is less: Provided, That such notification shall occur within 14 days of a contract identifying the ***programmed*** amount: Provided further, That the Secretary shall notify the Committees on Appropriations of both Houses of Congress 14 days prior to the obligation of such bid savings and shall describe the anticipated use of such savings. Sec. 225. None of the funds made available for ``Construction, Major Projects'' may be used for a project in excess of the scope specified for that project in the original justification data provided to the Congress as part of the request for appropriations unless the Secretary of Veterans Affairs receives approval from the Committees on Appropriations of both Houses of Congress. Sec. 226. Not later than 30 days after the end of each fiscal quarter, the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report containing performance measures and data from each Veterans Benefits Administration Regional Office: Provided, That, at a minimum, the report shall include the direction contained in [[Page H7966]] the section entitled ``Disability claims backlog'', under the heading ``General Operating Expenses, Veterans Benefits Administration'' in the joint explanatory statement accompanying Public Law 114-223: Provided further, That the report shall also include information on the number of appeals pending at the Veterans Benefits Administration as well as the Board of Veterans Appeals on a quarterly basis. Sec. 227. The Secretary of Veterans Affairs shall provide written notification to the Committees on Appropriations of both Houses of Congress 15 days prior to organizational changes which result in the ***transfer*** of 25 or more full-time equivalents from one organizational unit of the Department of Veterans Affairs to another. Sec. 228. The Secretary of Veterans Affairs shall provide on a quarterly basis to the Committees on Appropriations of both Houses of Congress notification of any single national outreach and awareness marketing campaign in which obligations exceed $2,000,000. (including ***transfer*** of funds) Sec. 229. The Secretary of Veterans Affairs, upon determination that such action is necessary to address needs of the Veterans Health Administration, may ***transfer*** to the ``Medical Services'' account any discretionary appropriations made available for fiscal ***year*** 2019 in this title (except appropriations made to the ``General Operating Expenses, Veterans Benefits Administration'' account) or any discretionary unobligated balances within the Department of Veterans Affairs, including those appropriated for fiscal ***year*** 2019, that were provided in advance by appropriations Acts: Provided, That ***transfers*** shall be made only with the approval of the Office of Management and Budget: Provided further, That the ***transfer*** authority provided in this section is in addition to any other ***transfer*** authority provided by law: Provided further, That no amounts may be ***transferred*** from amounts that were designated by Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That such authority to ***transfer*** may not be used unless for higher priority items, based on emergent healthcare requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: Provided further, That, upon determination that all or part of the funds ***transferred*** from an appropriation are not necessary, such amounts may be ***transferred*** back to that appropriation and shall be available for the same purposes as originally appropriated: Provided further, That before a ***transfer*** may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and receive approval of that request. (including ***transfer*** of funds) Sec. 230. Amounts made available for the Department of Veterans Affairs for fiscal ***year*** 2019, under the ``Board of Veterans Appeals'' and the ``General Operating Expenses, Veterans Benefits Administration'' accounts may be ***transferred*** between such accounts: Provided, That before a ***transfer*** may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the ***transfer*** and receive approval of that request. Sec. 231. The Secretary of Veterans Affairs may not reprogram funds among major construction projects or ***programs*** if such instance of reprogramming will exceed $7,000,000, unless such reprogramming is approved by the Committees on Appropriations of both Houses of Congress. Sec. 232. (a) The Secretary of Veterans Affairs shall ensure that the toll-free suicide hotline under section 1720F(h) of title 38, United States Code-- (1) provides to individuals who contact the hotline immediate assistance from a trained professional; and (2) adheres to all requirements of the American Association of Suicidology. (b)(1) None of the funds made available by this Act may be used to enforce or otherwise carry out any Executive action that prohibits the Secretary of Veterans Affairs from appointing an individual to occupy a vacant civil service position, or establishing a new civil service position, at the Department of Veterans Affairs with respect to such a position relating to the hotline specified in subsection (a). (2) In this subsection-- (A) the term ``civil service'' has the meaning given such term in section 2101(1) of title 5, United States Code; and (B) the term ``Executive action'' includes-- (i) any Executive order, presidential memorandum, or other action by the President; and (ii) any agency policy, order, or other directive. (c)(1) The Secretary of Veterans Affairs shall conduct a study on the effectiveness of the hotline specified in subsection (a) during the five-***year*** period beginning on January 1, 2016, based on an analysis of national suicide data and data collected from such hotline. (2) At a minimum, the study required by paragraph (1) shall-- (A) determine the number of veterans who contact the hotline specified in subsection (a) and who receive follow up services from the hotline or mental health services from the Department of Veterans Affairs thereafter; (B) determine the number of veterans who contact the hotline who are not referred to, or do not continue receiving, mental health care who commit suicide; and (C) determine the number of veterans described in subparagraph (A) who commit or attempt suicide. Sec. 233. None of the funds in this or any other Act may be used to close Department of Veterans Affairs (VA) hospitals, domiciliaries, or clinics, conduct an environmental assessment, or to diminish healthcare services at existing Veterans Health Administration medical facilities located in Veterans Integrated Service Network 23 as part of a planned realignment of VA services until the Secretary provides to the Committees on Appropriations of both Houses of Congress a report including the following elements: (1) a national realignment strategy that includes a detailed description of realignment plans within each Veterans Integrated Services Network (VISN), including an updated Long Range Capital Plan to implement realignment requirements; (2) an explanation of the process by which those plans were developed and coordinated within each VISN; (3) a cost versus benefit analysis of each planned realignment, including the cost of replacing Veterans Health Administration services with contract care or other outsourced services; (4) an analysis of how any such planned realignment of services will impact access to care for veterans living in rural or highly rural areas, including travel distances and transportation costs to access a VA medical facility and availability of local specialty and primary care; (5) an inventory of VA buildings with historic designation and the methodology used to determine the buildings' condition and utilization; (6) a description of how any realignment will be consistent with requirements under the National Historic Preservation Act; and (7) consideration given for reuse of historic buildings within newly identified realignment requirements: Provided, That, this provision shall not apply to capital projects in VISN 23, or any other VISN, which have been authorized or approved by Congress. Sec. 234. Effective during the period beginning on October 1, 2018 and ending on January 1, 2024, none of the funds made available to the Secretary of Veterans Affairs by this or any other Act may be obligated or expended in contravention of the ``Veterans Health Administration Clinical Preventive Services Guidance Statement on the Veterans Health Administration's Screening for Breast Cancer Guidance'' published on May 10, 2017, as issued by the Veterans Health Administration National Center for Health Promotion and Disease Prevention. Sec. 235. (a) Notwithstanding any other provision of law, the amounts appropriated or otherwise made available to the Department of Veterans Affairs for the ``Medical Services'' account may be used to provide-- (1) fertility counseling and treatment using assisted reproductive technology to a covered veteran or the spouse of a covered veteran; or (2) adoption reimbursement to a covered veteran. (b) In this section: (1) The term ``service-connected'' has the meaning given such term in section 101 of title 38, United States Code. (2) The term ``covered veteran'' means a veteran, as such term is defined in section 101 of title 38, United States Code, who has a service-connected disability that results in the inability of the veteran to procreate without the use of fertility treatment. (3) The term ``assisted reproductive technology'' means benefits relating to reproductive assistance provided to a member of the Armed Forces who incurs a serious injury or illness on active duty pursuant to section 1074(c)(4)(A) of title 10, United States Code, as described in the memorandum on the subject of ``Policy for Assisted Reproductive Services for the Benefit of Seriously or Severely Ill/Injured (Category II or III) Active Duty Service Members'' issued by the Assistant Secretary of Defense for Health Affairs on April 3, 2012, and the guidance issued to implement such policy, including any limitations on the amount of such benefits available to such a member except that-- (A) the time periods regarding embryo cryopreservation and storage set forth in part III(G) and in part IV(H) of such memorandum shall not apply; and (B) such term includes embryo cryopreservation and storage without limitation on the duration of such cryopreservation and storage. (4) The term ``adoption reimbursement'' means reimbursement for the adoption-related expenses for an adoption that is finalized after the date of the enactment of this Act under the same terms as apply under the adoption reimbursement ***program*** of the Department of Defense, as authorized in Department of Defense Instruction 1341.09, including the reimbursement limits and requirements set forth in such instruction. (c) Amounts made available for the purposes specified in subsection (a) of this section are subject to the requirements for funds contained in section 508 of division H of the Consolidated Appropriations Act, 2018 (Public Law 115- 141). [[Page H7967]] (rescission of funds) Sec. 236. Of the funds made available for fiscal ***year*** 2019 under the heading ``Department of Veterans Affairs--Veterans Health Administration--Medical Support and Compliance'' in title II of division J of the Consolidated Appropriations Act, 2018 (Public Law 115-141), $211,000,000 is hereby rescinded. Sec. 237. None of the funds appropriated or otherwise made available by this Act or any other Act for the Department of Veterans Affairs may be used in a manner that is inconsistent with: (1) section 842 of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Public Law 109-115; 119 Stat. 2506); or (2) section 8110(a)(5) of title 38, United States Code. Sec. 238. Section 842 of Public Law 109-115 shall not apply to conversion of an activity or function of the Veterans Health Administration, Veterans Benefits Administration, or National Cemetery Administration to contractor performance by a business concern that is at least 51 percent owned by one or more Indian tribes as defined in section 5304(e) of title 25, United States Code, or one or more Native Hawaiian Organizations as defined in section 637(a)(15) of title 15, United States Code. Sec. 239. (a) Except as provided in subsection (b), the Secretary of Veterans Affairs, in consultation with the Secretary of Defense and the Secretary of Labor, shall discontinue using Social Security account numbers to identify individuals in all information systems of the Department of Veterans Affairs as follows: (1) For all veterans submitting to the Secretary of Veterans Affairs new claims for benefits under laws administered by the Secretary, not later than 5 ***years*** after the date of the enactment of this Act. (2) For all individuals not described in paragraph (1), not later than 8 ***years*** after the date of the enactment of this Act. (b) The Secretary of Veterans Affairs may use a Social Security account number to identify an individual in an information system of the Department of Veterans Affairs if and only if the use of such number is required to obtain information the Secretary requires from an information system that is not under the jurisdiction of the Secretary. Sec. 240. For funds provided to the Department of Veterans Affairs for each of fiscal ***year*** 2019 and 2020 for ``Medical Services'', section 239 of Division A of Public Law 114-223 shall apply. Sec. 241. None of the funds appropriated in this or prior appropriations Acts or otherwise made available to the Department of Veterans Affairs may be used to ***transfer*** any amounts from the Filipino Veterans Equity Compensation Fund to any other account within the Department of Veterans Affairs. Sec. 242. Of the funds provided to the Department of Veterans Affairs for each of fiscal ***year*** 2019 and fiscal ***year*** 2020 for ``Medical Services'', funds may be used in each ***year*** to carry out and expand the child care ***program*** authorized by section 205 of Public Law 111-163, notwithstanding subsection (e) of such section. Sec. 243. For funds provided to the Department of Veterans Affairs for each of fiscal ***year*** 2019 and 2020, section of Division A of Public Law 114-223 shall apply. Sec. 244. (a) The Secretary of Veterans Affairs may use amounts appropriated or otherwise made available in this title to ensure that the ratio of veterans to full-time employment equivalents within any ***program*** of rehabilitation conducted under chapter 31 of title 38, United States Code, does not exceed 125 veterans to one full-time employment equivalent. (b) Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the ***programs*** of rehabilitation conducted under chapter 31 of title 38, United States Code, including-- (1) an assessment of the veteran-to-staff ratio for each such ***program***; and (2) recommendations for such action as the Secretary considers necessary to reduce the veteran-to-staff ratio for each such ***program***. Sec. 245. None of the funds appropriated or otherwise made available in this title may be used by the Secretary of Veterans Affairs to enter into an agreement related to resolving a dispute or claim with an individual that would restrict in any way the individual from speaking to members of Congress or their staff on any topic not otherwise prohibited from disclosure by Federal law or required by Executive Order to be kept secret in the interest of national defense or the conduct of foreign affairs. Sec. 246. For funds provided to the Department of Veterans Affairs for each of fiscal ***year*** 2019 and 2020, section 258 of Division A of Public Law 114-223 shall apply. Sec. 247. None of the funds appropriated or otherwise made available by this Act may be used to conduct research using canines unless: the scientific objectives of the study can only be met by research with canines; the study has been directly approved by the Secretary; and the study is consistent with the revised Department of Veterans Affairs canine research policy document released on December 18, 2017: Provided, That not later than 180 days after enactment of this Act, the Secretary shall submit to the Committees on Appropriations of both Houses of Congress a detailed report outlining under what circumstances canine research may be needed if there are no other alternatives, how often it was used during that time period, and what protocols are in place to determine both the safety and efficacy of the research. Sec. 248. For an additional amount for the Department of Veterans Affairs, $2,000,000,000 to remain available until expended, for infrastructure improvements, including new construction, and in addition to amounts otherwise made available in this Act for such purpose, of which: (1) $750,000,000 shall be available for seismic improvement projects and seismic ***program*** management activities, including projects that would otherwise be funded by the Construction, Major Projects, the Construction, Minor Projects, Medical Facilities, or National Cemetery Administration accounts; (2) $300,000,000 shall be for ``Departmental Administration--Construction, Major Projects''; (3) $800,000,000 shall be for ``Veterans Health Administration--Medical Facilities'' to be used for non- recurring maintenance; and (4) $150,000,000 shall be for ``Departmental Administration--Construction, Minor Projects'': Provided, That the additional amounts appropriated for the purposes of non-recurring maintenance and minor construction may be used to carry out critical life-safety projects identified in the Department's annual facility condition assessments; sustainment projects; modernization projects; infrastructure repair; renovations at existing Veterans Health Administration medical centers and outpatient clinics; and projects included in the Strategic Capital Investment Process plan: Provided further, That funds made available under this section for ``Construction, Major Projects'' shall be available for previously authorized and partially funded major construction projects: Provided further, That notwithstanding the requirements of section 8104(a) of title 38, United States Code, amounts made available under this heading for seismic improvement projects and seismic ***program*** management activities shall be available for the completion of both new and existing projects of the Department: Provided further, That the additional amounts appropriated under this section may not be obligated or expended until the Secretary of Veterans Affairs submits to the Committees on Appropriations of both Houses of Congress, and such Committees approve, a detailed expenditure plan, including project descriptions and costs, for any non-recurring maintenance, minor construction, major construction, or seismic improvement project being funded with the additional amounts made available in this administrative provision. Sec. 249. (a) Prohibition on Use of Funds.--None of the funds appropriated or otherwise made available by this Act may be used to deny an Inspector General funded under this Act timely access to any records, documents, or other materials available to the department or agency of the United States Government over which such Inspector General has responsibilities under the Inspector General Act of 1978 (5 U.S.C App.), or to prevent or impede the access of such Inspector General to such records, documents, or other materials, under any provision of law, except a provision of law that expressly refers to such Inspector General and expressly limits the right of access of such Inspector General. (b) Timely Access.--A department or agency covered by this section shall provide its Inspector General access to all records, documents, and other materials in a timely manner. (c) Compliance.--Each Inspector General covered by this section shall ensure compliance with statutory limitations on disclosure relevant to the information provided by the department or agency over which that Inspector General has responsibilities under the Inspector General Act of 1978 (5 U.S.C App.). (d) Report.--Each Inspector General covered by this section shall report to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives within 5 ***calendar*** days of any failure by any department or agency covered by this section to comply with this section. Sec. 250. (a) Plan Required.--Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the appropriate committees of Congress a plan to reduce the chances that clinical mistakes by employees of the Department of Veterans Affairs will result in adverse events that require institutional or clinical disclosures and to prevent any unnecessary hardship for patients and families impacted by such adverse events. (b) Elements.--The plan required by subsection (a) shall include the following: (1) A description of a process for the timely identification of individuals impacted by disclosures described in subsection (a) and the process for contacting those individuals or their next of kin. (2) A description of procedures for expediting any remedial or follow-up care required for those individuals. (3) A detailed outline of proposed changes to the process of the Department for clinical quality checks and oversight. (4) A communication plan to ensure all facilities of the Department are made aware of any requirements updated pursuant to the plan. (5) A timeline detailing the implementation of the plan. [[Page H7968]] (6) An identification of the senior executive of the Department responsible for ensuring compliance with the plan. (7) An identification of potential impacts of the plan on timely diagnoses for patients. (8) An identification of the processes and procedures for employees of the Department to make leadership at the facility and the Department aware of adverse events that are concerning and that result in disclosures and to ensure that the medical impact on veterans of such disclosures is minimized. (c) Appropriate Committees of Congress Defined.--In this section, the term ``appropriate committees of Congress'' means-- (1) the Committee on Veterans' Affairs and the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate; and (2) the Committee on Veterans' Affairs and the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives. Sec. 251. None of the funds made available in this Act may be used in a manner that would increase wait times for veterans who seek care at medical facilities of the Department of Veterans Affairs. Sec. 252. None of the funds appropriated or otherwise made available by this Act to the Veterans Health Administration may be used in fiscal ***year*** 2019 to convert any ***program*** which received specific purpose funds in fiscal ***year*** 2018 to a general purpose funded ***program*** unless the Secretary of Veterans Affairs submits written notification of any such proposal to the Committees on Appropriations of both Houses of Congress at least thirty days prior to any such action and an approval is issued by the Committees. TITLE III RELATED AGENCIES American Battle Monuments Commission salaries and expenses For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one-for-one replacement basis only) and hire of passenger motor vehicles; not to exceed $42,000 for official reception and representation expenses; and insurance of official motor vehicles in foreign countries, when required by law of such countries, $104,000,000, to remain available until expended. foreign currency fluctuations account For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, such sums as may be necessary, to remain available until expended, for purposes authorized by section 2109 of title 36, United States Code. United States Court of Appeals for Veterans Claims salaries and expenses For necessary expenses for the operation of the United States Court of Appeals for Veterans Claims as authorized by sections 7251 through 7298 of title 38, United States Code, $34,955,000: Provided, That $2,580,000 shall be available for the purpose of providing financial assistance as described and in accordance with the process and reporting procedures set forth under this heading in Public Law 102- 229. Department of Defense--Civil Cemeterial Expenses, Army salaries and expenses For necessary expenses for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase or lease of passenger motor vehicles for replacement on a one- for-one basis only, and not to exceed $2,000 for official reception and representation expenses, $80,800,000, of which not to exceed $15,000,000 shall remain available until September 30, 2021. In addition, such sums as may be necessary for parking maintenance, repairs and replacement, to be derived from the ``Lease of Department of Defense Real Property for Defense Agencies'' account. construction For necessary expenses for planning and design and construction at Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, $33,600,000, to remain available until expended, for planning and design and construction associated with the Southern Expansion project at Arlington National Cemetery. Armed Forces Retirement Home trust fund For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home-- Washington, District of Columbia, and the Armed Forces Retirement Home--Gulfport, Mississippi, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, $64,300,000, of which $1,000,000 shall remain available until expended for construction and renovation of the physical plants at the Armed Forces Retirement Home--Washington, District of Columbia, and the Armed Forces Retirement Home-- Gulfport, Mississippi: Provided, That of the amounts made available under this heading from funds available in the Armed Forces Retirement Home Trust Fund, $22,000,000 shall be paid from the general fund of the Treasury to the Trust Fund. Administrative Provision Sec. 301. Amounts deposited into the special account established under 10 U.S.C 4727 are appropriated and shall be available until expended to support activities at the Army National Military Cemeteries. TITLE IV OVERSEAS CONTINGENCY OPERATIONS DEPARTMENT OF DEFENSE Military Construction, Army For an additional amount for ``Military Construction, Army'', $192,250,000, to remain available until September 30, 2023, for projects outside of the United States: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Construction, Navy and Marine Corps For an additional amount for ``Military Construction, Navy and Marine Corps'', $227,320,000, to remain available until September 30, 2023, for projects outside of the United States: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Construction, Air Force For an additional amount for ``Military Construction, Air Force'' $414,800,000, to remain available until September 30, 2023, for projects outside of the United States: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Construction, Defense-Wide For an additional amount for ``Military Construction, Defense-Wide'', $87,050,000, to remain available until September 30, 2023, for projects outside of the United States: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. Administrative Provisions Sec. 401. Each amount designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates all such amounts and transmits such designations to the Congress. Sec. 402. None of the funds appropriated for military construction projects outside the United States under this title may be obligated or expended for planning and design of any project associated with the European Deterrence Initiative until the Secretary of Defense develops and submits to the congressional defense committees, in a classified and unclassified format, a list of all of the military construction projects associated with the European Deterrence Initiative which the Secretary anticipates will be carried out during each of the fiscal ***years*** 2020 through 2024. TITLE V GENERAL PROVISIONS Sec. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal ***year*** unless expressly so provided herein. Sec. 502. None of the funds made available in this Act may be used for any ***program***, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the ***program***, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates. Sec. 503. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of ``E-Commerce'' technologies and procedures in the conduct of their business practices and public service activities. Sec. 504. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate. Sec. 505. None of the funds made available in this Act may be ***transferred*** to any department, agency, or instrumentality of the United States Government except pursuant to a ***transfer*** made by, or ***transfer*** authority provided in, this or any other appropriations Act. Sec. 506. None of the funds made available in this Act may be used for a project or ***program*** named for an individual serving as a Member, Delegate, or Resident Commissioner of the United States House of Representatives. [[Page H7969]] Sec. 507. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public Web site of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest. (b) Subsection (a) shall not apply to a report if-- (1) the public posting of the report compromises national security; or (2) the report contains confidential or proprietary information. (c) The head of the agency posting such report shall do so only after such report has been made available to the requesting Committee or Committees of Congress for no less than 45 days. Sec. 508. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. (b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. Sec. 509. None of the funds made available in this Act may be used by an agency of the executive branch to pay for first-class travel by an employee of the agency in contravention of sections 301-10.122 through 301-10.124 of title 41, Code of Federal Regulations. Sec. 510. None of the funds made available in this Act may be used to execute a contract for goods or services, including construction services, where the contractor has not complied with Executive Order No. 12989. Sec. 511. None of the funds made available by this Act may be used by the Department of Defense or the Department of Veterans Affairs to lease or purchase new light duty vehicles for any executive fleet, or for an agency's fleet inventory, except in accordance with Presidential Memorandum--Federal Fleet Performance, dated May 24, 2011. Sec. 512. (a) In General.--None of the funds appropriated or otherwise made available to the Department of Defense in this Act may be used to construct, renovate, or expand any facility in the United States, its territories, or possessions to house any individual detained at United States Naval Station, Guantanamo Bay, Cuba, for the purposes of detention or imprisonment in the custody or under the control of the Department of Defense. (b) The prohibition in subsection (a) shall not apply to any modification of facilities at United States Naval Station, Guantanamo Bay, Cuba. (c) An individual described in this subsection is any individual who, as of June 24, 2009, is located at United States Naval Station, Guantanamo Bay, Cuba, and who-- (1) is not a citizen of the United States or a member of the Armed Forces of the United States; and (2) is-- (A) in the custody or under the effective control of the Department of Defense; or (B) otherwise under detention at United States Naval Station, Guantanamo Bay, Cuba. This division may be cited as the ``Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2019''. And the Senate agree to the same. Rodney P. Frelinghuysen, Michael K. Simpson, John R. Carter, Ken Calvert, Jeff Fortenberry, Charles F. Fleischmann, Jaime Herrera Beutler, Scott Taylor, Managers on the Part of the House. Richard C. Shelby, Lamar Alexander, John Boozman, Steve Daines, James Lankford, Patrick J. Leahy, Dianne Feinstein, Brian Schatz, Christopher Murphy, Managers on the Part of the Senate. JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R 5895) making appropriations for the energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. This conference agreement includes the Energy and Water Development and Related Agencies Appropriations Act, 2019, the Legislative Branch Appropriations Act, 2019, and the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2019. The Senate amendment included the Senate versions of each of those bills (S. 2975, S. 3071, and S. 3024, respectively). Similarly, the House bill included the House versions of the legislation (H.R 5895, H.R 5894, and H.R 5786, respectively). H.R 5895 was passed by the House on June 8, 2018 and used as the vehicle for the Senate amendment, which passed the Senate on June 25, 2018. Section 1 of the conference agreement is the short title of the bill. Section 2 of the conference agreement displays a table of contents. Section 3 of the conference agreement states that, unless expressly provided otherwise, any reference to ``this Act'' contained in any division shall be treated as referring only to the provisions of that division. Section 4 provides a statement of appropriations. The conference agreement does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined by clause 9 of rule XXI of the Rules of the House of Representatives. DIVISION A--ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 The following statement to the House of Representatives and the Senate is submitted in explanation of the agreed upon Act making appropriations for energy and water development for the fiscal ***year*** ending September 30, 2019, and for other purposes. This conference report, while repeating some report language for emphasis, does not intend to negate the language and allocations set forth in House Report 115-697 and Senate Report 115-258 and that direction shall be complied with unless specifically addressed to the contrary in the accompanying bill or conference report. Additionally, where this conference report states that the ``agreement only includes'' or ``the following is the only'' direction, any direction included in the House or Senate report on that matter shall be considered as replaced with the direction provided within this conference report. In cases where the House or the Senate has directed the submission of a report, such report is to be submitted to the Committees on Appropriations of both Houses of Congress. House or Senate reporting requirements with deadlines prior to or within 15 days of the enactment of this Act shall be submitted not later than 60 days after the enactment of this Act. All other reporting deadlines not changed by this conference report are to be met. Funds for the individual ***programs*** and activities within the accounts in this Act are displayed in the detailed table at the end of the conference report for this Act. Funding levels that are not displayed in the detailed table are identified in this conference report. In fiscal ***year*** 2019, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99- 177), the following information provides the definition of the term ``***program***, project, or activity'' for departments and agencies under the jurisdiction of the Energy and Water Development Appropriations Act. The term ``***program***, project, or activity'' shall include the most specific level of budget items identified in the Energy and Water Development Appropriations Act, 2019 and the conference report accompanying the Act. Dam Removal.--No specific funding was provided in fiscal ***year*** 2018 and none was requested by any agencies funded in this Act in fiscal ***year*** 2019 for the purpose of removing a federally owned or operated dam without prior authorization by Congress. Consequently, no specific funds for unauthorized federal dam removal are included for any agency funded in this Act. Columbia River spill.--Many conferees have grave concerns about judicial interference in the operation of the hydroelectric dams on the Columbia and Snake Rivers. In 2016, a federal judge overturned the 2014 Federal Columbia River Power System Biological Opinion, a plan that was painstakingly negotiated by scientists and engineering experts at federal agencies under the Bush and Obama Administrations, affected states, sovereign Northwest tribes, and local stakeholders. More troubling, the judge also ordered additional forced spill through the system beginning in early April 2018 without requiring plaintiffs to show that harm or threat to species would result without that action. There was no specific scientific backing cited for this decision. Spilling at this increased level can threaten the reliability of the federal power and transmission systems and result in impacts to transportation and barging systems, flood control capabilities, and irrigation systems. Additionally, some scientific studies warn that increased gas levels stemming from the spill ordered by the decision could in fact harm the very fish species the Biological Opinion was developed to protect. Estimates of the cost to the transmission system and ratepayers are approximately $40 million for 2018 alone. Civil Works Reorganization Proposal On July 30, 2018, the Secretary of Defense approved a Secretary of the Army memorandum identifying specific actions the Army will take in support of the Administration's proposed reorganization of the Civil Works ***program*** of the U.S Army Corps of Engineers. The proposal includes taking the Civil Works ***program*** out of the Corps with navigation going to the Department of Transportation for infrastructure grants and the remaining accounts to the Department of the Interior. The conferees are opposed to the proposed reorganization as it could ultimately have detrimental impacts for implementation of the Civil Works ***program*** and for the numerous non-federal entities that rely on the Corps' technical expertise, including in response to natural disasters. The conferees are extremely concerned that an action of this magnitude, which [[Page H7970]] crosses multiple jurisdictional lines and has far-reaching consequences, was not properly brought to Congress as a proposal, allowing for oversight and hearings as to its effects. Notification and discussion with Members of Congress and Committee staffs was nonexistent. Further, this type of proposal, as the Department of Defense and the Corps are well aware, will require enactment of legislation, which has neither been proposed nor requested to date. Therefore, no funds provided in this Act or any previous Act to any agency shall be used to implement this proposal. TITLE I--CORPS OF ENGINEERS--CIVIL DEPARTMENT OF THE ARMY Corps of Engineers--Civil The summary tables included in this title set forth the dispositions with respect to the individual appropriations, projects, and activities of the Corps of Engineers. Additional items of the Act are discussed below. Recent statutory changes regarding the Inland Waterways Trust Fund (IWTF) have resulted in an increase to the size of the capital improvement ***program*** that can be supported by the IWTF. The agreement reflects congressional interest in supporting this larger ***program***. The Corps is directed to take the preparatory steps necessary to ensure that new construction projects can be initiated as soon as can be supported under the larger capital ***program*** (i.e , as ongoing projects approach completion). Concerns persist that the effort to update the Water Resources Principles and Guidelines did not proceed consistent with the language or intent of section 2031 of the Water Resources Development Act of 2007. No funds provided to the Corps of Engineers shall be used to develop or implement rules or guidance to support implementation of the final Principles and Requirements for Federal Investments in Water Resources released in March 2013 or the final Interagency Guidelines released in December 2014. The Corps shall continue to use the document dated March 10, 1983, and entitled ``Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies'' during the fiscal ***year*** period covered by the Energy and Water Development Appropriations Act for 2019. Asian Carp.--In lieu of House and Senate direction, the Secretary of the Army, acting through the Chief of Engineers, shall make every effort to submit to Congress the Report of the Chief of Engineers for the Brandon Road feasibility study according to the original published schedule of February 2019. The conferees understand that the money allocated to the study in the fiscal ***year*** 2018 work plan and the fiscal ***year*** 2019 budget request is sufficient to complete the feasibility phase. The Corps is encouraged to move expeditiously to the preconstruction engineering and design (PED) phase once feasibility is complete, including requesting sufficient funding in future budget submissions. The Corps is directed to provide quarterly updates to the Committees on Appropriations of both Houses of Congress on the progress and status of efforts to prevent the further spread of Asian carp as well as the location and density of carp populations, including the use of emergency procedures. The Corps shall continue to collaborate with the U.S Coast Guard, the U.S Fish and Wildlife Service, the State of Illinois, and members of the Asian Carp Regional Coordinating Committee to identify and evaluate whether navigation protocols would be beneficial or effective in reducing the risk of vessels inadvertently carrying aquatic invasive species, including Asian carp, through the Brandon Road Lock and Dam in Joliet, Illinois. Any findings of such an evaluation shall be included in the quarterly briefings to the Committees. The Corps is further directed to implement navigation protocols shown to be effective at reducing the risk of entrainment without jeopardizing the safety of vessels and crews. The Corps and other federal and state agencies are conducting ongoing research on potential solutions. The Corps shall brief the Committees on Appropriations of both Houses of Congress on such navigation protocols and potential solutions within 30 days of enactment of this Act. Budget Structure Changes.--The agreement includes House and Senate language regarding budget structure changes. Apportionment Under a Continuing Resolution.--The conferees are concerned about recent changes in the way funds are apportioned under a continuing resolution. Artificially limiting the Corps' flexibility to fund the highest priority projects during the time of a continuing resolution by creating demarcations between funds from the Harbor Maintenance Trust Fund, the Inland Waterways Trust Fund, and the general fund impedes efficient and effective implementation of the Civil Works ***program***. The conferees believe the previous policy on apportionment under a continuing resolution, which provides maximum flexibility, should be restored. Report on Flood and Storm Damage Reduction Business Line.-- Not later than 180 days after the date of enactment of this Act, the Corps shall provide to the Committees on Appropriations of both Houses of Congress a report that provides a definition for the terms ``coastal project'' and ``inland project'' within the flood and coastal storm damage reduction business line. For each of the last ten fiscal ***years***, the report shall include the total amount of funding allocated to coastal projects and the total amount of funding allocated to inland projects within this business line. The report shall name each project and include an analysis comparing the level of funding in proportion to the amount of work needed in coastal areas. Report on Certain Cost-Shared Projects.--The Corps shall submit to the appropriate committees of Congress a report that includes a list of all cost-shared Corps projects that as of the date of enactment of this Act are physically and fiscally complete and for which excess non-federal funds have not been returned to the non-federal project sponsor. With respect to each project on the list, the report shall describe the status of returning the excess funds to the non- federal project sponsor and providing the non-federal project sponsor a final accounting of the project. Everglades Restoration and Lake Okeechobee.--The restoration of the Everglades, as described in the Comprehensive Everglades Restoration Plan (CERP) authorized by Public Law 106-541 is the most ambitious environmental restoration ***program*** in our nation's history. The objectives of CERP are the restoration, preservation, and protection of the South Florida ecosystem, while providing for other water related needs, including water supply and flood protection. The Corps shall continue to implement CERP, as authorized, to ensure the protection of water quality, to reduce the loss of fresh water, and to improve the environment of the South Florida ecosystem, while achieving and maintaining the benefits to the natural system and human environment described in the Plan. The equal partnership between the federal government and the State of Florida remains essential to accomplishing the objectives of the Plan. The conferees note that the Plan authorizes a 50/50 federal-state cost share for all aspects of congressionally authorized restoration projects, including, where applicable, water quality project features or components. The discharge of excess water from Lake Okeechobee to the Caloosahatchee Estuary and the Indian River Lagoon represents a significant loss of fresh water from the South Florida ecosystem. The diversion of those discharges to CERP projects or features, such as the Everglades ***Agricultural*** Area Storage Reservoir, designed to store and treat water prior to release into the Central Everglades, is an essential source of fresh water for meeting the objectives of the Plan. To minimize downstream impacts from reduced water quality and harmful algal blooms to local communities and wildlife habitat, the Corps is encouraged, when appropriate, to only conduct releases of water from Lake Okeechobee to the Caloosahatchee Estuary or the Indian River Lagoon in pulses, unless a release is necessary to protect the integrity of the Herbert Hoover Dike and minimize threats to lives and human health. Additional Funding The agreement includes funding in addition to the budget request to ensure continued improvements to our national economy, public safety, and environmental health that result from water resources projects. This funding is for additional work that either was not included in the budget request or was inadequately budgeted. The bill contains a provision requiring the Corps to allocate funds in accordance with only the direction in this agreement. In lieu of all House and Senate report direction--under any heading--regarding additional funding, new starts, and the fiscal ***year*** 2019 work plan, the Corps shall follow the direction included in this conference report. The executive branch retains complete discretion over project-specific allocation decisions within the additional funds provided, subject to only the direction here and under the heading ``Additional Funding'' or ``Additional Funding for Ongoing Work'' within each of the Investigations, Construction, Mississippi River and Tributaries, and Operation and Maintenance accounts. A study or project may not be excluded from evaluation for being ``inconsistent with Administration policy.'' Voluntary funding in excess of legally required cost shares for studies and projects is acceptable, but shall not be used as a criterion for allocating the additional funding provided or for the selection of new starts. The Administration is reminded that these funds are in addition to the budget request, and Administration budget metrics shall not be a reason to disqualify a study or project from being funded. It is expected that all of the additional funding provided will be allocated to specific ***programs***, projects, or activities. The focus of the allocation process shall favor the obligation, rather than expenditure, of funds. The Corps shall evaluate all studies and projects only within accounts and categories consistent with previous congressional funding. When allocating the additional funding provided in this Act, the Corps shall consider eligibility and implementation decisions under Public Law 115-123 so as to maximize the reduction of risk to public safety and infrastructure and the reduction of future damages from floods and storms nationwide. A project or study shall be eligible for additional funding within the Investigations, Construction, and Mississippi River and Tributaries accounts if: (1) it has received funding, other than through a reprogramming, in at least one of the previous three fiscal ***years***; (2) it was previously funded and could reach a significant milestone, complete a discrete element of work, or produce significant outputs in ***calendar*** ***year*** 2019; or (3) as appropriate, it is selected as one of the [[Page H7971]] new starts allowed in accordance with this Act and the additional direction provided below. Projects with executed Advanced Project Partnership Agreements, or similar agreements, shall be eligible for additional funding provided in this bill. None of the additional funding in any account may be used for any item where funding was specifically denied or for projects in the Continuing Authorities ***Program***. Funds shall be allocated consistent with statutory cost share requirements. Work Plan.--Not later than 60 days after the enactment of this Act, the Corps shall provide to the Committees on Appropriations of both Houses of Congress a work plan including the following information: (1) a detailed description of the process and criteria used to evaluate studies and projects; (2) delineation of how these funds are to be allocated; (3) a summary of the work to be accomplished with each allocation, including phase of work and the study or project's remaining cost to complete (excluding Operation and Maintenance); and (4) a list of all studies and projects that were considered eligible for funding but did not receive funding, including an explanation of whether the study or project could have used funds in ***calendar*** ***year*** 2019 and the specific reasons each study or project was considered as being less competitive for an allocation of funds. New Starts.--The agreement includes six new starts in the Investigations account and five new starts in the Construction account to be distributed across the authorized mission areas of the Corps. Of the new starts in Investigations, one shall be for a navigation study; one shall be for a flood and storm damage reduction study; one shall be for an environmental restoration study; and three shall be for navigation, flood and storm damage reduction, environmental restoration, water supply, or multi-purpose studies. In the appropriate categories, the Corps shall consider selection of a small, remote, or subsistence navigation study and a multi-purpose watershed study to address coastal resiliency. Of the new construction starts, one shall be for a navigation project; one shall be for a flood and storm damage reduction project; one shall be for an environmental restoration project; and two shall be for navigation, flood and storm damage reduction, environmental restoration, or multi-purpose projects. In the appropriate categories, the Corps shall consider selection of a coastal storm damage reduction project. No funding shall be used to initiate new ***programs***, projects, or activities in the Mississippi River and Tributaries or Operation and Maintenance accounts. The Corps is directed to propose a single group of new starts as a part of the work plan. None of the funds may be used for any item for which the agreement has specifically denied funding. The Corps may not change or substitute the new starts selected once the work plan has been provided to the Committees on Appropriations of both Houses of Congress. Each new start shall be funded from the appropriate additional funding line item. Any project for which the new start requirements are not met by the end of fiscal ***year*** 2019 shall be treated as if the project had not been selected as a new start; such a project shall be required to compete again for new start funding in future ***years***. As all new starts are to be chosen by the Corps, all shall be considered of equal importance, and the expectation is that future budget submissions will include appropriate funding for all new starts selected. There continues to be confusion regarding the executive branch's policies and guidelines regarding which studies and projects require new start designations. Therefore, the Corps is directed to notify the Committees on Appropriations of both Houses of Congress at least 7 days prior to execution of an agreement for construction of any project except environmental infrastructure projects and projects under the Continuing Authorities ***Program***. Additionally, the agreement reiterates and clarifies previous congressional direction as follows. Neither study nor construction activities related to individual projects authorized under section 1037 of the Water Resources Reform and Development Act (WRRDA) of 2014 shall require a new start or new investment decision; these activities shall be considered ongoing work. No new start or new investment decision shall be required when moving from feasibility to PED. A new start designation shall be required to initiate construction of individually-authorized projects funded within programmatic line items. No new start or new investment decision shall be required to initiate work on a separable element of a project when construction of one or more separable elements of that project was initiated previously; it shall be considered ongoing work. A new construction start shall not be required for work undertaken to correct a design deficiency on an existing federal project; it shall be considered ongoing work. The Corps is reminded that resumptions are just that--resumption of previously-initiated studies or projects and, as such, do not require new start designations. In addition to the priority factors used to allocate all additional funding provided in the Investigations account, the Corps should give careful consideration to the out-***year*** budget impacts of the studies selected and to whether there appears to be an identifiable local sponsor that will be ready and able to provide, in a timely manner, the necessary cost share for the feasibility and PED phases. The Corps is reminded that the flood and storm damage reduction mission area can include instances where non-federal sponsors are seeking assistance with flood control and unauthorized discharges from permitted wastewater treatment facilities and that the navigation mission area includes work in remote and subsistence harbor areas. Within the flood and storm damage reduction mission, the Corps is urged to strive for an appropriate balance between inland and coastal projects. In addition to the priority factors used to allocate all additional funding provided in the Construction account, the Corps also shall consider the out-***year*** budget impacts of the selected new starts; and the cost sharing sponsor's ability and willingness to promptly provide the cash contribution (if any), as well as required lands, easements, rights-of-way, relocations, and disposal areas. When considering new construction starts, only those that can execute a project cost sharing agreement not later than September 30, 2019, shall be chosen. To ensure that the new construction starts are affordable and will not unduly delay completion of any ongoing projects, the Secretary is required to submit to the Committees on Appropriations of both Houses of Congress a realistic out- ***year*** budget scenario prior to issuing a work allowance for a new start. It is understood that specific budget decisions are made on an annual basis and that this scenario is neither a request for nor a guarantee of future funding for any project. Nonetheless, this scenario shall include an estimate of annual funding for each new start utilizing a realistic funding scenario through completion of the project, as well as the specific impacts of that estimated funding on the ability of the Corps to make continued progress on each previously funded construction project (including impacts to the optimum timeline and funding requirements of the ongoing projects) and on the ability to consider initiating new projects in the future. The scenario shall assume a Construction account funding level at the average of the past three budget requests. Execution of Corps Funding The conferees are concerned with delays in executing funds that have been appropriated in regular and supplemental appropriations bills. While the Office of Management and Budget (OMB) has a responsibility to oversee execution of the funds, the conferees are concerned that OMB is adding additional burdens to the Corps' processes that may result in unnecessary delays and potentially overriding technical and expert judgments by the Corps. The conferees expect funds appropriated in this Act to be quickly and efficiently executed, consistent with the terms and conditions in this conference report. investigations The agreement includes $125,000,000 for Investigations. The agreement includes legislative language regarding parameters for new study starts. The allocation for projects and activities within the Investigations account is shown in the following table: [[Page H7972]] [GRAPHIC] [TIFF OMITTED] TH100918.001 [[Page H7973]] [GRAPHIC] [TIFF OMITTED] TH100918.002 [[Page H7974]] [GRAPHIC] [TIFF OMITTED] TH100918.003 [[Page H7975]] Passaic River Basin Mainstem, New Jersey.--Flooding has long been a problem in the Passaic River Basin. The Corps is encouraged to continue to work in coordination with the non- federal sponsor on plans to reduce flooding in the basin, including the reevaluation of the Passaic River Basin Mainstem project. The Corps is directed to brief the Committees on Appropriations of both Houses of Congress not later than 30 days after the enactment of this Act on the current status of this project. Peckman River, New Jersey.--There have been repeated delays with the Peckman River Feasibility Study. The Corps is directed to provide to the Committees on Appropriations of both Houses of Congress quarterly briefings on the current schedule to bring this study to completion, with the first briefing to occur not later than 30 days after the enactment of this Act. Rahway River Basin (Upper Basin), New Jersey.--There have been extended delays with the Rahway River Basin Flood Risk Management Feasibility Study where flooding is of acute concern to the affected communities. The Corps is encouraged to continue to work with the non-federal sponsor on plans to reduce flooding caused by the Rahway River in affected areas. The Corps is directed to provide to the Committees on Appropriations of both Houses of Congress quarterly briefings on the current schedule to bring this study to completion, with the first briefing to occur not later than 30 days after the enactment of this Act. The Corps is encouraged to include funding for this study in future budget submissions. Additional Funding.--The Corps is expected to allocate the additional funding provided in this account primarily to specific feasibility and PED phases, rather than to Remaining Items line items as has been the case in previous work plans. Of the additional funding provided in this account for navigation and coastal and deep draft navigation, the Corps shall allocate not less than $2,500,000 for navigation PED. Of the additional funding provided in this account for flood and storm damage reduction and shore protection, the Corps shall allocate not less than $400,000 for shore protection PED. When allocating the additional funding provided in this account, the Corps shall consider giving priority to completing or accelerating ongoing studies or to initiating new studies that will enhance the nation's economic development, job growth, and international competitiveness; are for projects located in areas that have suffered recent natural disasters; are for projects that protect life and property; are for projects to restore floodplain and aquatic habitat through cost-effective and tested means; or are for projects to address legal requirements. The Corps shall use these funds for additional work in both the feasibility and PED phases. The agreement includes sufficient additional funding to undertake a significant amount of feasibility and PED work. The Administration is reminded that a project study is not complete until the PED phase is complete. The Corps is reminded that environmental restoration can include projects that address degraded conditions due to prior flood protection work. The Corps is reminded that the updating of economic analyses and economic impact studies are eligible to receive additional funding. Water Resources Priorities Study.--No funding shall be used for this study. Disposition of Completed Projects.--The agreement includes Senate direction. Additionally, the agreement supports the budget request for the disposition study pursuant to facilities that closed as a result of Public Law 113-121. The Corps is directed to provide to the Committees on Appropriations of both Houses of Congress copies of this study upon completion. For Corps facilities that are deemed as excess in such study, the Committee supports the disposal of those facilities through the appropriate General Services Administration process. Research and Development.--Within available funds, the Corps shall advance work on activities included in the House and Senate reports. Puget Sound.--The conferees encourage the Corps to proceed with the tiered implementation strategy using all existing authorities as outlined in the Puget Sound Nearshore Ecosystem Restoration Project Feasibility Study, Completion Strategy Guidance dated June 2015. The Corps is further directed to recognize the Puget Sound Nearshore Study as the feasibility component for the purposes of Section 544 of the Water Resources Development Act of 2000. The Corps is commended for initiating PED on the Duckabush River Estuary component of this project. The Corps is urged to include funding in future budget submissions to continue PED, as completing this project is critical to restoring the natural processes in the nearshore zone that sustain biological and economic resources. Upper Mississippi River-Illinois Waterway System.--The fiscal ***year*** 2018 work plan allocated $1,000,000 to initiate and complete an economic update of the Navigation Ecosystem Sustainability ***Program***. Not later than 60 days after the enactment of this Act, the Corps shall provide to the Committees on Appropriations of both Houses of Congress a report on the scope of the economic update and any expected future costs for completing the study phase. The Corps is encouraged to complete the economic update expeditiously, so that PED can resume in a timely fashion. construction The agreement includes $2,183,000,000 for Construction. The agreement includes legislative language regarding Chickamauga Lock, Tennessee River, Tennessee. The agreement includes legislative language regarding parameters for new construction starts. The allocation for projects and activities within the Construction account is shown in the following table: [[Page H7976]] [GRAPHIC] [TIFF OMITTED] TH100918.004 [[Page H7977]] [GRAPHIC] [TIFF OMITTED] TH100918.005 [[Page H7978]] [GRAPHIC] [TIFF OMITTED] TH100918.006 [[Page H7979]] Updated Capability.--The agreement adjusts some project- specific allocations downward from the budget request based on updated information regarding the amount of work that could be accomplished in fiscal ***year*** 2019. Additional Funding.--The agreement includes additional funds for projects and activities to enhance the nation's economic growth and international competitiveness. Of the additional funds provided in this account, the Corps shall allocate not less than $4,445,000 to projects with riverfront development components. Of the additional funding provided in this account for flood and storm damage reduction and flood control, the Corps shall allocate not less than $9,800,000 to additional nonstructural flood control projects. Of the additional funds provided in this account for flood and storm damage reduction, navigation, and other authorized project purposes, the Corps shall allocate not less than $25,000,000 to authorized reimbursements for projects with executed project cooperation agreements and that have completed construction or where non-federal sponsors intend to use the funds for additional water resources development activities. Of the additional funding provided in this account for flood and storm damage reduction and flood control, the Corps shall allocate not less than $20,000,000 to continue construction of projects that principally address drainage in urban areas, of which not less than $4,500,000 shall be for projects that principally include improvements to rainfall drainage systems that address flood damages. Of the additional funding provided in this account, the Corps shall allocate not less than $1,800,000 to complete a plan for a purpose outside the Corps' traditional mission. The Corps is reminded that dam safety projects authorized under section 5003 of the Water Resources Development Act of 2007 are eligible to compete for the additional funding provided in this account. Public Law 115-123 included funding within the Flood Control and Coastal Emergencies account to restore authorized shore protection projects to full project profile. That funding is expected to address most of the current ***year*** capability. Therefore, to ensure funding is not directed to where it cannot be used, the agreement includes $55,000,000 for construction of shore protection projects. The Corps is reminded that if additional work can be done, these projects are also eligible to compete for additional funding for flood and storm damage reduction. When allocating the additional funding provided in this account, the Corps is encouraged to evaluate authorized reimbursements in the same manner as if the projects were being evaluated for new or ongoing construction. When allocating the additional funding provided in this account, the Corps shall consider giving priority to the following: 1. benefits of the funded work to the national economy; 2. extent to which the work will enhance national, regional, or local economic development; 3. number of jobs created directly and supported in the supply chain by the funded activity; 4. significance to national security, including the strategic significance of commodities; 5. ability to obligate the funds allocated within the fiscal ***year***, including consideration of the ability of the non-federal sponsor to provide any required cost share; 6. ability to complete the project, separable element, or project phase with the funds allocated; 7. legal requirements, including responsibilities to Tribes; 8. for flood and storm damage reduction projects (including authorized nonstructural measures and periodic beach renourishments), a. population, economic activity, or public infrastructure at risk, as appropriate; and b. the severity of risk of flooding or the frequency with which an area has experienced flooding; 9. for shore protection projects, projects in areas that have suffered severe beach erosion requiring additional sand placement outside of the normal beach renourishment cycle or in which the normal beach renourishment cycle has been delayed; 10. for navigation projects, the number of jobs or level of economic activity to be supported by completion of the project, separable element, or project phase; 11. for projects cost shared with the IWTF, the economic impact on the local, regional, and national economy if the project is not funded, as well as discrete elements of work that can be completed within the funding provided in this line item; 12. for other authorized project purposes and environmental restoration or compliance projects, to include the beneficial use of dredged material; and 13. for environmental infrastructure, projects with the greater economic impact, projects in rural communities, projects in communities with significant shoreline and instances of runoff, projects in or that benefit counties or parishes with high poverty rates, projects in financially distressed municipalities, projects that improve stormwater capture capabilities, and projects that will provide substantial benefits to water quality improvements. The following is the only direction with regard to the availability of additional funds for IWTF projects. The agreement provides funds making use of all estimated annual revenues and some additional prior-***year*** revenues in the IWTF. The Corps shall allocate all funds provided in the IWTF Revenues line item along with the statutory cost share from funds provided in the Navigation line item prior to allocating the remainder of funds in the Navigation line item. Aquatic Plant Control ***Program***.--Of the funding provided for the Aquatic Plant Control ***Program***, $1,000,000 shall be for activities for the control of the flowering rush. Of the funding provided for the Aquatic Plant Control ***Program***, $5,000,000 shall be for nationwide research and development to address invasive aquatic plants; within this funding, the Corps is encouraged to support cost shared aquatic plant management ***programs***. Of the funding provided for the Aquatic Plant Control ***Program***, $5,000,000 shall be for watercraft inspection stations, as authorized by section 1039 of the WRRDA of 2014, and $1,000,000 shall be for related monitoring. Continuing Authorities ***Program*** (CAP).--The agreement continues to support all sections of the Continuing Authorities ***Program***. Funding is provided for eight CAP sections at a total of $66,000,000, an increase of $62,500,000 above the budget request, which proposed funding for only four sections. This ***program*** provides a useful tool for the Corps to undertake small localized projects without the lengthy study and authorization process typical of larger Corps projects. Within the Continuing Authorities ***Program*** and to the extent already authorized by law, the Corps is encouraged to consider projects that enhance coastal and ocean ecosystem resiliency and projects that restore degraded wetland habitat and stream habitat impacted by construction of Corps levees. The management of the Continuing Authorities ***Program*** shall continue consistent with direction provided in previous fiscal ***years***. Dam Safety and Seepage/Stability Correction ***Program***.--The conferees reject the budget request proposal regarding Herbert Hoover Dike, which would make funds provided in this ***program*** available only if the State of Florida commits certain funds. Consistent with long-standing congressional direction, the Corps may not require funding in excess of legally required cost shares for studies and projects as a criterion for funding decisions. The Corps shall apply these funds to the highest priority projects. Beneficial Use of Dredged Material Pilot ***Program***.--The agreement includes House direction on this ***program***. Public-Private Partnerships.--The agreement only includes direction in the Expenses account. Oyster Restoration.--The conferees support Gulf Coast oyster restoration efforts and the Chesapeake Bay Oyster Restoration ***program***. The Corps is encouraged to include funding in future budget submissions for these efforts. Metro East Levees.--The conferees urge the Corps to include funding for the Metro East levee system in future budget submissions. Rehabilitation of Corps Constructed Dams.--Implementation guidance for section 1177 of the WIIN Act is awaiting approval. The Corps is directed to submit this implementation guidance to the Committees on Appropriations of both Houses of Congress as expeditiously as possible. Natural Infrastructure Options.--The agreement includes Senate direction with the clarification that it applies during the project formulation phase. Camp Ellis Beach, Saco, Maine.--The conferees are concerned by the continued delay in implementing a solution at Camp Ellis Beach in Saco, Maine. To address continued erosion, which has destroyed 37 homes to date, the Corps' initial study recommended a shore damage mitigation project consisting of a 750-foot-long spur jetty, and placement of about 360,000 cubic yards of beach fill along the beach. The project's design and costs are under review and being updated in preparation for a new report to Congress detailing a path ahead on the project. Accordingly, the conferees direct the Secretary to expeditiously submit this report to the Committees on Appropriations of both Houses of Congress. This report shall include any additional legislative authorities necessary for the project to be approved and constructed. Soo Locks, Sault Ste. Marie, Chippewa County, Michigan.-- The conferees are aware that the Corps has released a new Soo Lock Economic Validation Study and Post Authorization Change Report with a strong benefit to cost ratio and a recommendation to move forward on construction of a new lock. The Corps is urged to include funding for the new lock in future budget submissions. MISSISSIPPI RIVER AND TRIBUTARIES The agreement includes $368,000,000 for Mississippi River and Tributaries. The allocation for projects and activities within the Mississippi River and Tributaries account is shown in the following table: [[Page H7980]] [GRAPHIC] [TIFF OMITTED] TH100918.007 [[Page H7981]] [GRAPHIC] [TIFF OMITTED] TH100918.008 [[Page H7982]] Additional Funding for Ongoing Work.--When allocating the additional funding provided in this account, the Corps shall consider giving priority to completing or accelerating ongoing work that will enhance the nation's economic development, job growth, and international competitiveness, or are for studies or projects located in areas that have suffered recent natural disasters. While this funding is shown under remaining items, the Corps shall use these funds in investigations, construction, and operation and maintenance, as applicable. Of the additional funds provided in this account for flood control, the Corps shall allocate not less than $14,420,000 for additional flood control construction projects. Of the additional funds provided in this account for other authorized project purposes, the Corps shall allocate not less than $975,000 for operation and maintenance of facilities that are educational or to continue land management of mitigation features. Mississippi River Commission.--No funding is provided for this new line item. The Corps is directed to continue funding the costs of the commission from within the funds provided for activities within the Mississippi River and Tributaries project. OPERATION AND MAINTENANCE The agreement includes $3,739,500,000 for Operation and Maintenance. The allocation for projects and activities within the Operation and Maintenance account is shown in the following table: [[Page H7983]] [GRAPHIC] [TIFF OMITTED] TH100918.009 [[Page H7984]] [GRAPHIC] [TIFF OMITTED] TH100918.010 [[Page H7985]] [GRAPHIC] [TIFF OMITTED] TH100918.011 [[Page H7986]] [GRAPHIC] [TIFF OMITTED] TH100918.012 [[Page H7987]] [GRAPHIC] [TIFF OMITTED] TH100918.013 [[Page H7988]] [GRAPHIC] [TIFF OMITTED] TH100918.014 [[Page H7989]] [GRAPHIC] [TIFF OMITTED] TH100918.015 [[Page H7990]] [GRAPHIC] [TIFF OMITTED] TH100918.016 [[Page H7991]] [GRAPHIC] [TIFF OMITTED] TH100918.017 [[Page H7992]] [GRAPHIC] [TIFF OMITTED] TH100918.018 [[Page H7993]] [GRAPHIC] [TIFF OMITTED] TH100918.019 [[Page H7994]] [GRAPHIC] [TIFF OMITTED] TH100918.020 [[Page H7995]] [GRAPHIC] [TIFF OMITTED] TH100918.021 [[Page H7996]] [GRAPHIC] [TIFF OMITTED] TH100918.022 [[Page H7997]] [GRAPHIC] [TIFF OMITTED] TH100918.023 [[Page H7998]] [GRAPHIC] [TIFF OMITTED] TH100918.024 [[Page H7999]] [GRAPHIC] [TIFF OMITTED] TH100918.025 [[Page H8000]] [GRAPHIC] [TIFF OMITTED] TH100918.026 [[Page H8001]] [GRAPHIC] [TIFF OMITTED] TH100918.027 [[Page H8002]] [GRAPHIC] [TIFF OMITTED] TH100918.028 [[Page H8003]] [GRAPHIC] [TIFF OMITTED] TH100918.029 [[Page H8004]] Updated Capability.--The agreement adjusts some project- specific allocations downward from the budget request based on updated information regarding the amount of work that could be accomplished in fiscal ***year*** 2019. Additional Funding for Ongoing Work.--When allocating the additional funding provided in this account, the Corps shall consider giving priority to the following: 1. ability to complete ongoing work maintaining authorized depths and widths of harbors and shipping channels, including where contaminated sediments are present; 2. ability to address critical maintenance backlog; 3. presence of the U.S Coast Guard; 4. extent to which the work will enhance national, regional, or local economic development, including domestic manufacturing capacity; 5. extent to which the work will promote job growth or international competitiveness; 6. number of jobs created directly by the funded activity; 7. ability to obligate the funds allocated within the fiscal ***year***; 8. ability to complete the project, separable element, project phase, or useful increment of work within the funds allocated; 9. addressing hazardous barriers to navigation due to shallow channels; 10. risk of imminent failure or closure of the facility; and 11. for harbor maintenance activities, a. total tonnage handled; b. total exports; c. total imports; d. dollar value of cargo handled; e. energy infrastructure and national security needs served; f. designation as strategic seaports; g. lack of alternative means of freight movement; and h. savings over alternative means of freight movement. Additional funding provided for donor and energy ***transfer*** ports shall be allocated in accordance with 33 U.S.C 2238c. The Corps is encouraged to include funding for this ***program*** in future budget submissions. The Corps is directed to execute fully subsection (c) of 33 U.S.C 2238c not later than 90 days after enactment of this Act. The Corps is reminded that debris removal activities pursuant to 33 U.S.C 603a, including in urban waterways, and activities necessary to carry out soil moisture and snowpack monitoring are eligible to compete for additional funding in this account. Concerns persist that the Administration's criteria for navigation maintenance do not allow small, remote, or subsistence harbors and waterways to properly compete for scarce navigation maintenance funds. The Corps is urged to revise the criteria used for determining which navigation projects are funded in order to develop a reasonable and equitable allocation under this account. The criteria should include the economic impact that these projects provide to local and regional economies. Aquatic Nuisance Research ***Program***.--Within available funds, the Corps is encouraged to support research that will identify and develop improved strategies for early detection, prevention, and management techniques and procedures to reduce the occurrence and impacts of harmful algal blooms in our nation's water resources. Coastal Inlet Research ***Program***.--The conferees understand that communities, infrastructure, commerce, and resources that are tied to the coastal nearshore region are all vulnerable to damage from extreme coastal events and long- term coastal change. Funding in addition to the budget request is included for the Corps to establish and lead a multi-university effort to identify engineering frameworks to address coastal resilience needs, to develop adaptive pathways that lead to coastal resilience, measure the coastal forces that lead to infrastructure damage and erosion during extreme storm events, and to improve coupling of terrestrial and coastal models. Funding in addition to the budget request is also included for the Corps to continue work with the National Oceanic and Atmospheric Administration's National Water Center on protecting the nation's water resources. Facility Protection.--The agreement provides funding for completion and deployment of tools to address hydrologic extremes. Monitoring of Completed Navigation Projects.--Of the funding provided, $4,000,000 shall be to support the structural health monitoring ***program*** to facilitate research to maximize operations, enhance efficiency, and protect asset life through catastrophic failure mitigation; $2,000,000 shall be for research related to the impacts of reduced navigational lock operations as described in the Senate report; and $600,000 shall be available for additional work on advanced non-destructive testing methods of inspection and the validation of technologies such as protective coatings. The Corps is directed to brief the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act on its planned activities in each area, future funding requirements of ongoing efforts, and the scope and effectiveness of ***programs*** at various annual funding levels. The Corps is encouraged to also consider the need for additional work on the evaluation of grouted trunnion rods. National Dam Safety ***Program***.--The Corps, in cooperation with the Federal Energy Regulatory Commission and the Bureau of Reclamation, shall contract with an independent peer review organization to conduct a comprehensive Independent External Peer Review (IEPR) of risk-informed dam safety practices in these three federal agencies with the intent to inform improvements broadly in national dam safety practices. The Corps is directed to contract with an independent peer review organization in accordance with its current review policy and the National Academy of Science IEPR process. The IEPR shall also consider how dam safety practices are affected by human factors, as well as how risk informed analysis in other industries may be applicable to dam safety practices. National (Multiple Project) Natural Resources Management Activities.--Any costs to cover administrative fees or any other efforts necessary to resolve encroachments that were the result of past land surveying errors made by the Corps are eligible for funding provided above the budget request. Water Operations Technical Support.--Funding in addition to the budget request is included for research into atmospheric rivers first funded in fiscal ***year*** 2015, of which $5,000,000 is included to continue ongoing efforts, and an additional $2,500,000 is provided to expand this research effort to other locations as appropriate. Prior to obligating these funds for this expanded effort, however, the Corps shall brief the Committees on Appropriations of both Houses of Congress on the details of an expanded effort, including activities to be undertaken, the total and annual cost estimate, expected transferability of tools developed of other results of the research, as well as the likelihood of additional investment being necessary. The Corps shall scope the expanded effort to fit within recent annual funding levels. Great Lakes Navigation System.--The agreement includes funding for individual projects within this System that exceeds the funding level envisioned in section 210(d)(1)(B)(ii) of the Water Resources Development Act of 1986. Kennebec River Long-Term Maintenance Dredging.--The agreement includes Senate direction. WIFIA Planning and Development.--The agreement only includes direction in the Expenses account. REGULATORY ***PROGRAM*** The agreement includes $200,000,000 for the Regulatory ***Program***. FORMERLY UTILIZED SITES REMEDIAL ACTION ***PROGRAM*** The agreement includes $150,000,000 for the Formerly Utilized Sites Remedial Action ***Program***. FLOOD CONTROL AND COASTAL EMERGENCIES The agreement includes $35,000,000 for Flood Control and Coastal Emergencies. EXPENSES The agreement includes $193,000,000 for Expenses. Alternative financing.--The agreement includes House direction and Senate direction under the heading ``Public- Private Partnerships'' in the Construction account. Additionally, funds above the budget request in this account are available, if needed, to implement House or Senate direction or to further efforts to develop a programmatic proposal on the WIFIA ***program*** for inclusion in a future budget submission. Inventory of Corps projects.--The agreement includes Senate direction with the clarification that the inventory is of existing and ongoing studies and projects. OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS The agreement includes $5,000,000 for the Office of the Assistant Secretary of the Army for Civil Works. The agreement includes legislative language that restricts the availability of funding until the Secretary submits a work plan that allocates at least 95 percent of the additional funding provided in each account (i.e , 95 percent of additional funding provided in Investigations, 95 percent of additional funding provided in Construction, etc.). This restriction shall not affect the roles and responsibilities established in previous fiscal ***years*** of the Office of the Assistant Secretary of the Army for Civil Works, the Corps headquarters, the Corps field operating agencies, or any other executive branch agency. GENERAL PROVISIONS-CORPS OF ENGINEERS-CIVIL (INCLUDING ***TRANSFER*** OF FUNDS) The agreement includes a provision relating to reprogramming. The agreement includes a provision regarding the allocation of funds. The agreement includes a provision prohibiting the use of funds to carry out any contract that commits funds beyond the amounts appropriated for that ***program***, project, or activity. The agreement includes a provision concerning funding ***transfers*** related to fish hatcheries. The agreement includes a provision regarding certain dredged material disposal activities. The agreement includes a provision regarding acquisitions. The agreement includes a provision regarding reallocations at a project. The agreement includes a provision regarding section 404 of the Federal Water Pollution Control Act. The agreement includes a provision prohibiting the obligation or expenditure of funds on a new hopper dredge. [[Page H8005]] The agreement includes a provision prohibiting funds for reorganization of the Civil Works ***program***. TITLE II--DEPARTMENT OF THE INTERIOR Central Utah Project CENTRAL UTAH PROJECT COMPLETION ACCOUNT The agreement includes a total of $15,000,000 for the Central Utah Project Completion Account, which includes $12,703,325 for Central Utah Project construction, $898,000 for ***transfer*** to the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission, and $1,398,675 for necessary expenses of the Secretary of the Interior. Bureau of Reclamation In lieu of all House and Senate report direction regarding additional funding and the fiscal ***year*** 2019 work plan, the agreement includes direction under the heading ``Additional Funding for Water and Related Resources Work'' in the Water and Related Resources account. Reconsultation.--The agreement includes House language. WATER AND RELATED RESOURCES (INCLUDING ***TRANSFERS*** OF FUNDS) The conferees provide $1,391,992,000 for Water and Related Resources. The agreement for Water and Related Resources is shown in the following table: [[Page H8006]] [GRAPHIC] [TIFF OMITTED] TH100918.030 [[Page H8007]] [GRAPHIC] [TIFF OMITTED] TH100918.031 [[Page H8008]] [GRAPHIC] [TIFF OMITTED] TH100918.032 [[Page H8009]] [GRAPHIC] [TIFF OMITTED] TH100918.033 [[Page H8010]] [GRAPHIC] [TIFF OMITTED] TH100918.034 [[Page H8011]] [GRAPHIC] [TIFF OMITTED] TH100918.035 [[Page H8012]] [GRAPHIC] [TIFF OMITTED] TH100918.036 [[Page H8013]] [GRAPHIC] [TIFF OMITTED] TH100918.037 [[Page H8014]] [GRAPHIC] [TIFF OMITTED] TH100918.038 [[Page H8015]] Additional Funding for Water and Related Resources Work.-- The agreement includes funds in addition to the budget request for Water and Related Resources studies, projects, and activities. Priority in allocating these funds should be given to advance and complete ongoing work, including preconstruction activities and where environmental compliance has been completed; improve water supply reliability; improve water deliveries; enhance national, regional, or local economic development; promote job growth; advance tribal and nontribal water settlement studies and activities; or address critical backlog maintenance and rehabilitation activities. Of the additional funding provided under the heading ``Water Conservation and Delivery'', $134,000,000 shall be for water storage projects as authorized in section 4007 of Public Law 114-322. Of the additional funding provided under the heading ``Water Conservation and Delivery'', $15,000,000 shall be for water conservation activities in areas experiencing extreme, exceptional, or extended drought conditions. Of the additional funding provided under the heading ``Environmental Restoration or Compliance'', not less than $30,000,000 shall be for activities authorized under sections 4001 and 4010 of Public Law 114-322 or as set forth in federal-state plans for restoring threatened and endangered fish species affected by the operation of the Bureau of Reclamation's water projects. Funding associated with each category may be allocated to any eligible study or project, as appropriate, within that category; funding associated with each subcategory may be allocated only to eligible studies or projects, as appropriate, within that subcategory. Not later than 45 days after the enactment of this Act, Reclamation shall provide to the Committees on Appropriations of both Houses of Congress a report delineating how these funds are to be distributed, in which phase the work is to be accomplished, and an explanation of the criteria and rankings used to justify each allocation. Reclamation is reminded that the following activities are eligible to compete for funding under the appropriate heading: activities authorized under Indian Water Rights Settlements; all authorized rural water projects, including those with tribal components, those with non-tribal components, and those with both; aquifer recharging efforts to address the ongoing backlog of related projects; conjunctive use projects and other projects to maximize groundwater storage and beneficial use; and activities authorized under section 206 of Public Law 113-235. Research and Development: Desalination and Water Purification ***Program***.--Of the funding provided for this ***program***, $12,000,000 shall be for desalination projects as authorized in section 4009(a) of Public Law 114-322. WaterSMART ***Program***: Title XVI Water Reclamation & Reuse ***Program***.--Of the funding provided for this ***program***, $20,000,000 shall be for water recycling and reuse projects as authorized in section 4009(c) of Public Law 114-322. Aquifer Recharge.--Many states have implemented new methods of recharging aquifers for increased water storage and drought mitigation. Reclamation is directed to work closely with project beneficiaries to identify and resolve any barriers to aquifer recharge projects when appropriate. CALFED Water Storage Feasibility Studies.--The agreement includes Senate language. Rural Water.--Voluntary funding in excess of legally required cost shares for rural water projects is acceptable, but shall not be used by Reclamation as a criterion for allocating additional funding provided in this agreement or for budgeting in future ***years***. Buried Metallic Water Pipe.--Reclamation shall continue following its temporary design guidance. CENTRAL VALLEY PROJECT RESTORATION FUND The agreement provides $62,008,000 for the Central Valley Project Restoration Fund. The agreement includes House direction regarding the Anadromous Fish Screen ***Program***. CALIFORNIA BAY-DELTA RESTORATION (INCLUDING ***TRANSFERS*** OF FUNDS) The agreement provides $35,000,000 for the California Bay- Delta Restoration ***Program***. POLICY AND ADMINISTRATION The agreement provides $61,000,000 for Policy and Administration. The conferees recommend that Reclamation work with all Reclamation states to ensure that counties and municipalities are aware of relevant ***programs*** and funding opportunities. Reclamation Project Reimbursability Decisions.--In September 2017, the Department of the Interior's Office of Inspector General released a report calling into question the transparency of Reclamation's financial participation in the State of California's Bay-Delta Conservation Plan (BDCP). Although Reclamation disputed several findings and recommendations in the report, Reclamation has taken steps to update its current practices and internal guidelines to better align with report recommendations. Reclamation is directed to provide to the Committees on Appropriations of both Houses of Congress 1) not later than 10 days after the enactment of this Act or after finalizing these updates, written copies of the relevant documents; and 2) not later than December 1, 2018, a list of instances of redirecting appropriated funds from the intended purpose outlined in the previous ***year***'s budget request. The conferees have heard concerns of administrative delays and excessive review times in the award and implementation of financial assistance agreement funding. Reclamation is urged to address factors related to these issues, including lags in completing contracts, in a timely and efficient manner. ADMINISTRATIVE PROVISION The agreement includes a provision limiting the Bureau of Reclamation to purchase not more than five passenger vehicles for replacement only. GENERAL PROVISIONS--DEPARTMENT OF THE INTERIOR The agreement includes a provision outlining the circumstances under which the Bureau of Reclamation may reprogram funds. The agreement includes a provision regarding the San Luis Unit and Kesterson Reservoir in California. The agreement includes a provision regarding aquifer recharge at a project. The agreement includes a provision regarding a feasibility study. The agreement includes a provision regarding a pilot ***program*** in the Colorado River Basin and authorization of appropriations under the Secure Water Act. The agreement includes a provision regarding a rural water project. TITLE III--DEPARTMENT OF ENERGY The conferees provide $35,685,317,000 for the Department of Energy to fund ***programs*** in its primary mission areas of science, energy, environment, and national security. Not later than 120 days after the enactment of this Act, the Secretary of Energy, in consultation with the Secretary of Defense, shall submit to the congressional energy and defense committees a report evaluating military installations at which it would be cost-effective to establish partnerships with community colleges, institutions of higher education, and the private sector to train veterans and members of the armed forces transitioning to civilian life to enter the cybersecurity, energy, and artificial intelligence workforces. Research and Development Policy.--The Department is directed throughout all of its ***programs*** to maintain a diverse portfolio of early-, mid-, and late-stage research, development, and market transformation activities. The Department is further directed to fully execute the funds appropriated in a timely manner and to keep the Committees on Appropriations of both Houses of Congress apprised of progress in implementing funded ***programs***, projects, and activities. Reprogramming Requirements The agreement carries the Department's reprogramming authority in statute to ensure that the Department carries out its ***programs*** consistent with congressional direction. The Department shall, when possible, submit consolidated, cumulative notifications to the Committees on Appropriations of both Houses of Congress. Definition.--A reprogramming includes the reallocation of funds from one ***program***, project, or activity to another within an appropriation. For construction projects, a reprogramming constitutes the reallocation of funds from one construction project to another project or a change of $2,000,000 or 10 percent, whichever is less, in the scope of an approved project. ENERGY ***PROGRAMS*** Energy Efficiency and Renewable Energy The conferees provide $2,379,000,000 for Energy Efficiency and Renewable Energy (EERE). The Department is directed to maintain a diverse portfolio of early-, mid-, and late-stage research, development, and market transformation activities. The Department is further directed to fully execute the funds appropriated in a timely manner and to keep the Committees on Appropriations of both Houses of Congress apprised of progress in implementing funded ***programs***, projects, and activities. Priority shall be given to stewarding the assets and optimizing the operations of EERE designated user facilities across the Department's complex. In future budget submissions, the Department is directed to demonstrate a commitment to operations and maintenance of facilities that support the Department's critical missions within EERE. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this Act a report on research and development activities that support the utilization and advancement of high-efficiency linear generator power plant technologies and how these technologies can be incorporated into other EERE ***programs***. Within available funds for EERE, the conferees include not less than $20,000,000 to bring cybersecurity into early-stage technology R&D so that it is built into new technology for this effort to encompass all EERE ***programs***. Within 180 days of enactment of this Act, the Department shall submit to the Committees on Appropriations of both Houses of Congress a multi-***year*** ***program*** plan for this effort to encompass all EERE ***programs***. SUSTAINABLE TRANSPORTATION Vehicle Technologies.--Within available funds, the conferees include $7,000,000 for operations and maintenance of the National Transportation Research Center; not less than $163,200,000 for Battery and Electrification Technologies; not less than $38,100,000 [[Page H8016]] for electric drive research and development, of which $7,000,000 is to enable extreme fast charging and advanced battery analytics; not less than $30,000,000 for Materials Technology; not less than $12,500,000 for the Co-Optimization of Engine and Fuels Multi-Laboratory Consortium; $25,000,000 for early-stage research on multi-material joining and propulsion materials at the national laboratories, and carbon fiber-reinforced composites at the Carbon Fiber Technology Facility; and $10,000,000 for continued funding of Section 131 of the 2007 Energy Independence and Security Act for transportation electrification. The agreement provides $20,000,000 for the five awards under the SuperTruck II ***program*** to further improve the efficiency of heavy-duty class 8 long- and regional-haul vehicles. The Department is directed to continue to support the Clean Cities ***program***, including competitive grants to support alternative fuel, infrastructure, and vehicle deployment activities. The agreement provides $46,300,000 for Outreach, Deployment, and Analysis. Within this amount, $37,800,000 is provided for Deployment through the Clean Cities ***Program*** and $2,500,000 is for a new 4-***year*** collegiate engineering competition, EcoCAR4. Within available funds, the agreement provides $15,000,000 for medium- and heavy-duty on-road natural gas engine research and development to address technical barriers to the increased use of natural gas vehicles. Bioenergy Technologies.--Within available funds, the conferees include $30,000,000 for feedstock supply and logistics, of which $14,000,000 is for the national lab consortium and $5,000,000 is for upgrades at the Biomass Feedstock National User Facility to extend its capabilities and maximize benefits; $32,000,000 for algal biofuels, of which $2,000,000 is for further research and development activities to support carbon capture from the atmosphere (ambient air) using algae-to-energy technologies; $57,500,000 for Demonstration and Market Transformation, of which not less than $12,500,000 is for the Co-Optimization of Engine and Fuels Multi-Laboratory Consortium; and $95,000,000 for Conversion Technologies. Within available funds, $5,000,000 is to continue the biopower ***program***, $5,000,000 is to improve the efficiency of community and smaller digesters that accept both farm and food wastes, and $5,000,000 is to support development and testing of new domestic manufactured low- emission, high-efficiency, residential wood heaters. Within available funds, the agreement includes not less than $10,000,000 to establish a multi-university partnership to conduct research and enhance educational ***programs*** that improve alternative energy production derived from urban and suburban wastes. The Department is directed to collaborate with institutions in Canada and Mexico to leverage capacity and capitalize on North American resources. Hydrogen and Fuel Cell Technologies.--Within available funds, the agreement provides $21,000,000 for Technology Acceleration activities, including $3,000,000 for manufacturing research and development and $7,000,000 for industry-led efforts to demonstrate a hydrogen-focused integrated renewable energy production, storage, and transportation fuel distribution/retailing system. Within available funds, the agreement provides $4,000,000 for the EERE share of the integrated energy systems work with the Office of Nuclear Energy and $7,000,000 to enable integrated energy systems using high and low temperature electrolyzers with the intent of advancing the [email protected] concept. The conferees include $39,000,000 for Hydrogen Fuel Research and Development and $7,000,000 for Safety, Codes, and Standards. RENEWABLE ENERGY Solar Energy.--Within available funds, the agreement provides $72,000,000 for Photovoltaic Research and Development; $45,000,000 for Systems Integration; $35,000,000 for Balance of Systems Soft Cost Reduction, of which $1,000,000 is for the Solar Ready Vets ***program*** and $5,000,000 is to re-invigorate the National Community Solar Partnership ***program***; and $30,000,000 for Innovations in Manufacturing Competitiveness. Within available funds, $4,050,000 is provided for the five photovoltaic Regional Test Centers (RTCs). Further, not later than 90 days after the enactment of this Act, the Department shall submit to the Committees on Appropriations of both Houses of Congress a plan for transitioning the RTCs to a self-sustaining business model as originally envisioned. Within available funds for concentrating solar power research, development, and demonstration, $5,000,000 is provided for competitively selected projects focused on advanced thermal desalination techniques. Within available funds, the conferees include $10,000,000 for research and development to support inherently scalable production methods such as solution processing, roll-to-roll manufacturing, the science of inherent material stability, and ultrahigh efficiency through tandem manufacturing. Wind Energy.--Within available funds, the agreement provides $10,000,000 for distributed wind and not less than $10,000,000 for existing national-level offshore wind test facilities. The agreement provides not less than $30,000,000 for the National Wind Technology Center, which shall include the development of a large-scale research platform to support next-generation wind energy science and manufacturing and systems integration of multiple energy generation, consumption, and storage technologies with the grid. The Department is directed to support the advancement of innovative technologies for offshore wind development, including freshwater, deep water, shallow water, and transitional depth installations. Further, the Department is directed to support innovative offshore wind demonstration projects, including efforts to optimize development, design, construction methods, testing plans, and economic value proposition. The agreement provides $10,000,000 for a competitively awarded solicitation for additional project development for offshore wind demonstration projects. The Department is also directed to support the deployment and testing of scale floating wind turbines designed to reduce energy costs. Within available funds, the agreement provides not less than $30,000,000 for the Department to prioritize early-stage research on materials and manufacturing methods and advanced components that will enable accessing high- quality wind resources, on development that will enable these technologies to compete in the marketplace without the need for subsidies, and on activities that will accelerate fundamental offshore-specific research and development, such as those that target technology and deployment challenges unique to U.S waters. Water Power.--Within available funds, the agreement provides $70,000,000 for marine and hydrokinetic technology research, development, and deployment activities, including research into mitigation of marine ecosystem impacts of these technologies. The Department is directed to continue development of the open-water wave energy test facility with previously provided funds. Within available funds, the agreement provides $30,000,000 for a balanced portfolio of competitive solicitations to support industry- and university-led research, development, and deployment of marine and hydrokinetic technologies; and support wave, ocean current, tidal and in-river energy conversion components and systems across the high- and low-technology readiness spectrum to increase energy capture, reliability, survivability, and integration into local or regional grids for lower costs and to assess and monitor environmental effects. Within this amount, the agreement provides not less than $8,000,000 to support collaborations between universities, Marine Renewable Energy Centers, and the national laboratories and not less than $5,000,000 to prioritize infrastructure needs at the marine and hydrokinetic technology testing sites operated by the Marine Renewable Energy Centers. In addition, the Department is directed to continue its coordination with the U.S Navy on marine energy technology development for national security applications at the Wave Energy Test Site and other locations. Within available funds, $35,000,000 is provided for conventional hydropower and pumped storage activities, including $6,600,000 for the purposes of section 242 of the Energy Policy Act of 2005. The agreement provides $5,000,000 for a competitive funding opportunity for industry-led research, development, and deployment of cross-cutting energy converter technologies for run-of-river and tailrace applications to better utilize underdeveloped low-head and other hydropower resources. Geothermal Technologies.--Within available funds, the agreement provides $6,000,000 for Systems Analysis. The Department is directed to continue its efforts to identify prospective geothermal resources in areas with no obvious surface expressions. ENERGY EFFICIENCY Advanced Manufacturing.--The agreement provides not less than $4,205,000 for improvements in the steel industry; $20,000,000 for process-informed science, design, and engineering of materials and devices operating in harsh environments; $5,000,000 for research into the materials and manufacturing process development of high-strength, light- weight nano-crystalline metal alloys; and $5,000,000 for process-informed catalyst science to direct chemical reactions in full-scale industrial manufacturing processes and to develop new industrial product applications. Within available funds, $132,000,000 is for Advanced Manufacturing Research and Development Facilities, of which $42,000,000 is for three Clean Energy Manufacturing Innovation (CEMI) Institutes, $25,000,000 is for the Manufacturing Demonstration Facility (MDF) and Carbon Fiber Technology Facility, $20,000,000 is for the Energy-Water Desalination Hub, and $25,000,000 is for the Critical Materials Hub. Within funds for the MDF, $5,000,000 is for the development of additive systems and automation technologies that have the potential to deposit multiple materials allowing for hybrid material solutions that enhance performance in extreme environments and enable precise property profiles. The Department is directed to further foster the partnership between the national laboratories, universities, and industry to use bio-based thermoplastics composites, such as micro- and nano-cellulosic materials, and large-area 3-D printing to overcome challenges to the cost and deployment of building, transportation, and energy technologies. Within available funds, the agreement includes $20,000,000 to support the development of additive manufacturing involving nanocellulosic feedstock materials made from forest products to overcome challenges to the cost and deployment of building, transportation, and energy technologies. The agreement also includes $20,000,000 for a competitive solicitation to accelerate development of manufacturing processes needed for clean energy [[Page H8017]] materials to go from discovery to scale-up with the goal of lowering battery energy storage costs and spurring job creation. The conferees include $10,000,000 for district heating and directs the Department to collaborate with industry on the potential energy efficiency and energy security gains to be realized with district energy systems. The conferees also include $10,000,000 to support research and development efforts to improve the efficiency of drying processes. Building Technologies.--The agreement provides $28,000,000 for Residential Buildings Integration, $39,000,000 for Commercial Buildings Integration, $95,000,000 for Emerging Technologies, and $50,000,000 for Equipment and Buildings Standards. Within available funds, $7,000,000 is for the Building Energy Codes ***program*** to provide assistance to States and to organizations that develop model codes and standards to improve building resilience as well as efficiency. Within funds for Emerging Technologies, not less than $18,000,000 is for HVAC & Refrigeration R&D; $14,000,000 is for Building Envelope; and $30,000,000 is for building-grid integration R&D consistent with a transactive energy system, including development of advanced transactive control methodologies, field validation and testing in existing buildings, continuation of the Building-to-Grid Integration Demonstration, and coordination with Electricity Delivery transactive energy system activities. Within available funds for transactive controls, $5,000,000 is to continue promoting regional demonstrations of new, utility-led, residential Connected Communities advancing smart grid systems. The agreement also provides $20,000,000, within available funds, for research, development, and market transformation ***programs*** on energy efficiency efforts related to the direct use of natural gas in residential applications, including gas heat pump heating and water heating, on-site combined heat and power, and natural gas appliance venting. In addition, the conferees include $5,000,000 for novel earlier-stage research, development, and demonstration of technologies to advance energy efficient, high-rise Cross-Laminated Timber building systems. The Department is directed to support university research, in partnership with the national laboratories, for developing, building, and evaluating Cross- Laminated Timber wall systems for embodied energy content, operating energy efficiency, wall moisture profiles, structural connector durability, and health monitoring sensors. The agreement provides $2,500,000 for the Solar Decathlon. Weatherization and Intergovernmental ***Programs***.--The Department is directed to make $500,000 available to current Weatherization Assistance ***Program*** grant recipients via the Weatherization Innovation Pilot ***Program*** to develop and implement strategies to treat harmful substances, including vermiculite. The Department is directed to provide a briefing to the Committees on Appropriations of both Houses of Congress on the kinds of information that is collected from grantees and the potential for collecting additional information that discusses the kinds of structural deficiencies that make homes ineligible for the ***program***. The Department is also directed to begin tracking the occurrence of window replacements, which supports the reduction of lead- based paint hazards in homes. Strategic ***Programs***.--Within available funds, $2,500,000 is for the Energy Transition Initiative to support ongoing initiatives to address high energy costs, reliability, and inadequate infrastructure challenges faced by island and remote communities. The Department is directed to support initiatives for building cost-effective, resilient energy infrastructure on island and remote communities, including in Alaska, the Caribbean, Hawaii, New England, and elsewhere. Cybersecurity, Energy Security, and Emergency Response The conferees provide $120,000,000 for Cybersecurity, Energy Security, and Emergency Response. Within available funds, $10,000,000 is for research and development on concepts to simplify and isolate automated systems and remove vulnerabilities that could allow unauthorized access to the grid through digital software systems and $10,000,000 is for the DarkNet project to explore opportunities for getting the nation's critical infrastructure off the Internet and shielding the nation's electricity infrastructure from disruptive cyber penetration. Electricity Delivery The conferees provide $156,000,000 for Electricity Delivery. Within Resilient Distribution Systems, the agreement provides $7,000,000 for university-based research and development of sensing, intelligent machines in the Internet of Things and their integration in the utility grid and $5,000,000 to develop high fidelity sensors and use data analytics to improve operations in steady-state and under extreme conditions, and to continue early-stage research to develop low-cost, printable sensors that can predict the health of critical equipment in the electric delivery system. Within Energy Storage, the Department is directed to continue to support development of an operational energy storage test facility capable of performance-driven data in a utility environment. The Department's storage research, development, and deployment efforts shall support nationwide efforts to improve grid resiliency, reliability, and security, empower consumers, and increase integration of a broad range of generation sources. Within Transformer Resilience and Advanced Components, the Department is directed to continue to support research and development for advanced components and grid materials for low-cost, power flow control devices, including both solid state and hybrid concepts that use power electronics to control electromagnetic devices and enable improved controllability, flexibility, and resiliency. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act a report describing the activities and costs necessary to achieve a North American grid model. Within available funds, the Department may build upon existing tools and modeling work done at the Department to explore a shared modeling platform across the national laboratories. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this Act a report on the potential of dynamic line rating systems to address transmission congestion management and improve grid reliability and resiliency. Nuclear Energy The conferees provide $1,326,090,000 for Nuclear Energy. Nuclear Energy Enabling Technologies.--Within available funds for Crosscutting Technology Development, $10,000,000 is for work on advanced sensors and instrumentation and $10,000,000 is for hybrid energy systems. The agreement provides $44,000,000 for the Nuclear Science User Facilities, of which $8,000,000 is for nuclear energy computation system and support; $31,000,000 for Nuclear Energy Advanced Modeling and Simulation, of which $3,000,000 is for MW-scale reactor modeling and simulation; and $27,585,000 for the Energy Innovation Hub for Modeling and Simulation. Reactor Concepts Research and Development.--Within available funds, $100,000,000 is for Advanced Small Modular Reactor Research and Development to support technical, first- of-its-kind engineering and design and regulatory development of next generation light water and non-light water small modular reactors, including $10,000,000 for seismic analysis; $111,500,000 is for Advanced Reactor Technologies, of which $34,000,000 is for fuel and graphite qualification; $22,000,000 is to complete the federal share of the two performance-based advanced reactor concepts; and $20,000,000 is for MW-scale reactor research and development. Within available funds, the agreement provides $30,000,000 for the Transformational Challenge Reactor to apply existing ***program*** capabilities to shape a new approach to reactor design, manufacturing, licensing, and operation. Not later than 90 days after the enactment of this Act, the Department shall provide to the Committees on Appropriations of both Houses of Congress a report that describes the cost and schedule profile for achieving demonstration, key technical challenges, and planned coordination with industry and the national laboratories. The agreement provides $65,000,000 for research and development to support efforts to develop a versatile fast test reactor. The conferees include $47,000,000 for the Light Water Reactor Sustainability ***program***. Funding above the budget request is provided for this activity as a priority. Fuel Cycle Research and Development.--The agreement provides $125,000,000 for the Advanced Fuels ***program*** and $38,000,000 for Material Recovery and Waste Form Development, of which $7,000,000 is for joint fuel cycle studies and up to $20,000,000 is for highly enriched uranium recovery preparation and testing to support needs for high assay low enriched uranium. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this Act a report describing a plan and cost profile for developing high assay low enriched uranium. The agreement provides $63,915,000 for Used Nuclear Fuel Disposition R&D. In lieu of Senate report direction, the agreement includes $22,500,000 for Integrated Waste Management System activities and no further direction. Radiological Facilities Management.--The agreement includes $20,000,000 for continued safe operation and maintenance of Oak Ridge National Laboratory hot cells. Idaho Facilities Management.--The agreement provides $288,000,000 for INL Operations and Infrastructure to support the MFC and ATR Five ***Year*** Plan to increase reliability and sustainability. Idaho Sitewide Safeguards and Security.--Within available funds, the agreement includes $10,000,000 to construct a protective forces building at the ATR complex that will meet the needs for expanded protective force and security operations under the Department's new Design Basis Threat but that will not exceed a total project cost of $10,000,000. Fossil Energy Research and Development The conferees provide $740,000,000 for Fossil Energy Research and Development. The agreement does not support the closure of any National Energy Technology Laboratory (NETL) sites and provides no funds to plan, develop, implement, or pursue the consolidation or closure of any of the [[Page H8018]] NETL sites. The agreement includes funding for the Department's National Carbon Capture Center consistent with the cooperative agreement and fiscal ***year*** 2018. Coal Carbon Capture and Storage (CCS) and Power Systems.-- The Department is directed to use funds from Coal CCS and Power Systems for both coal and natural gas research and development as it determines to be merited, as long as such research does not occur at the expense of coal research and development. The agreement includes $25,000,000 to continue to support the solicitation for two large-scale pilots that focus on transformational coal technologies that represent a new way to convert energy to enable a step change in performance, efficiency, and the cost of electricity compared to today's technologies. Such technologies include thermodynamic improvements in energy conversion and heat ***transfer***, such as pressurized oxygen combustion and chemical looping, and improvements in carbon capture systems technology. In making the awards for large-scale pilots, the Department should prioritize entities that have previously received funding for these technologies at the lab and bench scale. The agreement provides $2,000,000 for Hybrid Carbon Conversion activities. Within available funds, the agreement provides not less than $30,000,000 for a new solicitation for Front-End Engineering and Design (FEED) studies of two commercial-scale carbon capture power projects for retrofit at an existing coal plant and for a coal or natural gas plant that generates carbon dioxide suitable for utilization or storage. A FEED study shall incorporate work from feasibility studies and testing to provide specific project definition, detailed design, scopes of work, material purchasing and construction schedules, cost for project execution, and subsurface, structural, and environmental permitting requirements. The Department is directed to continue to carry out external activities for advanced coal processing research and development, including advancing early-stage research for converting coal pitch and coal to carbon fiber and other value-added products for alternative uses of coal. Within Carbon Storage, the agreement provides $12,000,000 for Carbon Use and Reuse to continue research and development activities to support valuable and innovative uses for carbon and $55,000,000 for Storage Infrastructure. The Department is directed to fulfill prior commitments to the Regional Carbon Sequestration Partnerships (RCSPs). In lieu of Senate report direction, the agreement provides not less than $20,000,000 for a competitive solicitation to fulfill the goals of the RCSPs and not less than $30,000,000 to continue the four- phase CarbonSAFE initiative. The Department is directed to work collaboratively with the RCSPs and other stakeholders to develop a storage roadmap through 2025 to identify the knowledge gaps and technology and policy developments that are needed to close those gaps. Within Advanced Energy Systems, the agreement provides $30,000,000 for Solid Oxide Fuel Cells. Within available funds for Advanced Energy Systems, the agreement provides $37,000,000 for transformative power generation to improve the efficiency, reliability, and flexible operations of both new and existing plants. The Department is directed to focus on advanced coal technologies that are applicable to retrofit technologies and modular coal technologies that are capable of distributed generation, represent maximum efficiency improvements over the current average fleet, incorporate advanced emissions control systems, and are economically competitive. Within Cross Cutting Research, the agreement provides $20,000,000 for the Advanced Ultrasupercritical ***Program***. Within NETL Coal Research and Development, the agreement provides $18,000,000 for the Department to continue its external agency activities to develop and test advanced separation technologies and accelerate the advancement of commercially viable technologies for the recovery of rare earth elements and minerals from U.S coal and coal byproduct sources. The Department is expected to support pilot-scale and experimental activities for near-term applications. Within Supercritical Transformational Electric Power (STEP) Generation, the agreement provides $16,700,000 to complete the necessary design and construction of the 10-MW pilot facility, and conduct the necessary testing, including long- duration testing for the facility. The agreement also includes an additional $5,730,000 for competitively-awarded research and development activities, coordinated with EERE and NE, to advance the use of supercritical power cycles. Natural Gas Technologies.--The agreement provides $5,200,000 to continue the Risk Based Data Management System (RBDMS) to support a cloud-based application and necessary cybersecurity initiatives. Funding shall support the continued integration of FracFocus and RBDMS for improved public access to State oil and gas related data, as well as for State regulatory agencies to support electronic permitting for operators, eForms for improved processing time for new permits, operator training from the improved FracFocus 3.2 after enhancements are implemented, and miscellaneous reports such as ``Produced Water Report: Current and Future Beneficial Uses Report''. The agreement provides $20,000,000 for Methane Hydrate Activities, $10,000,000 for Environmentally Prudent Development, $10,000,000 for Emissions Mitigation from Midstream Infrastructure, and $5,000,000 for Emissions Quantification from Natural Gas Infrastructure. Within available funds, the Department shall deliver to the Committees on Appropriations of both Houses of Congress a study on the potential for natural gas demand response across energy sectors and geographic regions no later than 18 months after the date of enactment of this Act. This study shall include a description and quantification of potential natural gas and energy savings and load shifting; the costs and benefits associated with those savings, including avoided energy costs, reduced market price volatility, improved electric and gas system reliability, deferred or avoided pipeline or utility capital investment, and air emissions reductions; an identification of geographic areas that would benefit most from implementing demand response measures for natural gas infrastructure; and a description of existing and emerging technologies that can be used for demand response in the natural gas sector, as well as best practices for developing a strategy for deployment of those technologies in the natural gas sector. Unconventional Technologies.--Within available funds, the agreement provides $13,500,000 for research to better understand reservoirs and to improve low recovery factors from unconventional natural gas and oil wells and $13,500,000 for continued research toward enhanced recovery technologies in shale oil, low permeability reservoirs, residual oil zone reservoirs, fractured reservoirs, and conventional oil reservoirs. The Department shall solicit, award and manage these research projects on a nationwide basis directly with researchers from universities and not-for-profit research organizations. The projects may include research projects to improve environmental mitigation, water quality and treatment, infrastructure technology, as well as the societal impacts of unconventional shale plays. These awards shall identify ways to improve existing technologies, encourage prudent development, provide cost-effective solutions, and develop a better understanding of these reservoirs' resource potential. The agreement includes not less than $15,000,000 for the Unconventional Field Test Sites. When issuing funding for research into the exploration for and development of emerging unconventional oil and gas reservoirs, the Department shall direct future allocations to projects in locations geologically representative of the unconventional reservoir of interest. The agreement provides not less than $2,500,000 for further research on multipronged approaches for characterizing the constituents of and managing the cleaning of water produced during the extraction of oil and natural gas. Within available funds, the Department is directed to partner with research universities engaged in the study of characterizing, cleaning, treating, and managing produced water and who are willing to engage through public- private partnerships with the energy industry to develop and assess commercially viable technology to achieve the same. The Department is directed to identify the federal agencies with jurisdictional oversight of establishing an ethane storage and distribution hub in central Appalachia and to coordinate with the liaisons of those agencies to streamline the permitting application and approval process. The Department is directed to brief the Committees on Appropriations of both Houses of Congress on its findings and recommendations once complete. The Department is directed to continue its research partnership with the Department of Transportation on the crude oil characterization study to improve the safety of crude oil transported by rail. The agreement provides $1,500,000 to continue this study. Naval Petroleum and Oil Shale Reserves The agreement provides $10,000,000 for the operation of the Naval Petroleum and Oil Shale Reserves. Strategic Petroleum Reserve The agreement provides $235,000,000 for the Strategic Petroleum Reserve. Funding above the budget request is to address facilities development and operations, including physical security and cavern integrity, and to maintain 1,000,000 barrels of gasoline blendstock in the Northeast Gasoline Supply Reserve. The agreement includes legislative language regarding a drawdown and sale of oil and use of proceeds in fiscal ***year*** 2019. SPR Petroleum Account The agreement provides $10,000,000 for the SPR Petroleum Account to pay for the costs of certain statutorily-mandated crude oil sales. Northeast Home Heating Oil Reserve The agreement provides $10,000,000 for the Northeast Home Heating Oil Reserve. Energy Information Administration The conferees provide $125,000,000 for the Energy Information Administration. Non-Defense Environmental Cleanup The conferees provide $310,000,000 for Non-Defense Environmental Cleanup. Small Sites.--Within amounts for Small Sites cleanup, $35,000,000 shall be for Lawrence Berkeley National Laboratory, $10,000,000 shall be for Oak Ridge activities, $45,000,000 shall be for Moab, $20,456,000 shall be for Brookhaven National Laboratory to continue removal of the High Flux Beam Reactor stack, and no further direction. If any of the funding for Brookhaven is in excess of needs such sums shall be applied to other Small Site cleanup activities. [[Page H8019]] Uranium Enrichment Decontamination and Decommissioning Fund The conferees provide $841,129,000 for activities funded from the Uranium Enrichment Decontamination and Decommissioning Fund. Portsmouth.--The conferees includes $60,000,000 above the budget request for Portsmouth cleanup, which is equivalent to the amount of proceeds that the Department planned to generate through bartering arrangements in order to fund additional cleanup in fiscal ***year*** 2019. The Department shall not barter, ***transfer***, or sell uranium in order to generate additional funding for Portsmouth cleanup that is in excess of the amount of funding provided in this Act. Science The conferees provide $6,585,000,000 for the Office of Science. The agreement provides $4,000,000, to be funded from across all Office of Science ***programs***, to support the Distinguished Scientist ***Program***, as authorized in section 5011 of Public Law 110-69. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act a plan that responds to the recommendations of the National Academies study ``Opportunities in Intense Ultrafast Lasers, Towards the Brightest Light''. Advanced Scientific Computing Research.--Within available funds, the agreement provides $140,000,000 for the Argonne Leadership Computing Facility, $200,000,000 for the Oak Ridge Leadership Computing Facility, $105,000,000 for the National Energy Research Scientific Computing Center at Lawrence Berkeley National Laboratory, $10,000,000 for the Computational Sciences Graduate Fellowship ***program***, and $85,000,000 for ESnet. The agreement provides $75,667,000 for Computational Partnerships (SciDAC). Within funds for SciDAC, up to $13,000,000 is to support work on artificial intelligence and big data focused on the development of algorithms and methods to identify new ways of extracting information from data generated at the Office of Science's large user facilities or validating use of machine learning in the Office of Science's ***program***'s scientific simulations. This is the only funding recommended within the Office of Science that shall be available for this work. Further, none of the funding is available for clinical trials or therapeutics. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act a briefing on its plan for implementing this artificial intelligence and big data initiative. Basic Energy Sciences (BES).--The agreement provides not less than $135,000,000 for the Nanoscale Science Research Centers. The agreement includes not less than $505,000,000 for facilities operations at the five BES light sources to adequately invest in the recapitalization of key instruments and infrastructure, and in staff and other resources necessary to deliver critical scientific capabilities to users, and no further direction. The Department is directed to submit as part of its fiscal ***year*** 2020 budget submission a plan for the buildout of additional beamlines to fully leverage the capabilities of the NSLS-II. The Department is directed to resume annual or at minimum, biennial, Implementation Grant solicitations for EPSCoR. In addition, the Department is directed to submit to the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act a report that provides a plan for future EPSCoR solicitations. The agreement provides $282,000,000 for the high-flux neutron sources which will allow for both Spallation Neutron Source and High Flux Isotope Reactor to proceed with the most critical deferred repairs, replace outdated instruments, and make essential machine improvements. The agreement provides not less than $19,100,000 for Other Project Costs, of which $6,000,000 is for the High Energy Upgrade at LCLS-II, $6,100,000 is for LCLS-II, $2,000,000 is for the Advanced Light Source Upgrade, and $5,000,000 is for the Second Target Station. The Department is directed to proceed with the upgrade of existing user facilities and major construction projects for new user facilities in a manner consistent with the June 2016 BESAC recommendations and subsequent Departmental reviews and findings related to these projects. Further, the Department is directed to follow the Department of Energy Order 413.3B project management reporting requirements for these projects and provide project data sheets for those projects in the budget submission. Within available funds, the agreement provides $26,000,000 for exascale systems. The Department is directed to continue its partnership with qualified institutions of higher education in support of energy research activities related to enhanced efficiency in energy conversion and utilization, including emergent polymer optoelectronic technologies. Biological and Environmental Research (BER).--The following is the only direction provided for BER. The Department is directed to give priority to optimizing the operation of BER user facilities. In addition, the Department is directed to maintain Genomic Science as a top priority. Within available funds, the agreement provides $100,000,000 for the four Bioenergy Research Centers, $90,000,000 for Foundational Genomics Research, $34,908,000 for Biomolecular Characterization and Imaging Science, and $70,000,000 for the Joint Genome Institute. Within available funds, $10,000,000 is to begin the establishment of a national microbiome database. Within available funds, not less than $40,000,000 is for Terrestrial Ecosystem Science, of which not less than $10,000,000 is for NGEE-Arctic, $5,800,000 is for NGEE- Tropics, $8,300,000 is for the SPRUCE field site, $6,800,000 is for the Watershed Function Science Focus Area, and $5,700,000 is for Ameriflux Long-Term Earth Systems Observations. Within available funds, not less than $22,143,000 is for Subsurface Biogeochemical Research, including not less than $3,000,000 to support ongoing research and discovery related to mercury biogeochemical transformations in the environment. Within available funds, the agreement provides $97,000,000 for Earth and Environmental Systems Modeling. The Department is directed to expend funds for earth system modeling, and regional and global analysis. Further, the Department is directed to make land-energy interactions, land biogeochemistry, uncertainty quantification, and model evaluation a priority within the regional and global modeling activities and continue to support performance optimization of coupled systems for execution on high performance and exascale systems. The agreement provides $15,000,000 for exascale computing. The agreement provides $45,000,000 for the Environmental Molecular Sciences Laboratory, $68,000,000 for the Atmospheric Radiation Measurement (ARM) User Facility, and $17,500,000 to replace the ARM mobile unit. Fusion Energy Sciences (FES).--The following is the only direction for FES. The agreement provides $286,704,000 for burning plasma science foundations, $61,246,000 for burning plasma science long pulse, and $84,050,000 for discovery plasma science. Within available funds, the agreement provides $18,000,000 for High Energy Density Laboratory Plasmas and $25,000,000 for Scientific Discovery through Advanced Computing. Within available funds, the agreement includes $5,000,000 to provide upgrades to the Safety and Tritium Applied Research Facility and not less than $7,000,000 for the Materials Plasma Exposure eXperiment. The agreement provides $132,000,000 for the U.S contribution to the ITER project and no further direction. The Fusion Energy Sciences Advisory Committee is directed to work with the Office of Nuclear Energy to review establishing a reactor concepts research, development, and deployment activity. The Department is directed to provide to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this Act a briefing on a recommendation, which if supported, will include a technical plan, ***program*** and eligibility requirements, and funding profile for future fiscal ***years***. High Energy Physics.--Within available funds, the agreement provides $15,000,000 for PIP-II; $6,250,000 for ongoing efforts for commissioning and initial operation of the camera for the Large Synoptic Survey Telescope Camera; $10,000,000 to continue the upgrade of FACET II; $105,000,000 for the HL- LHC Upgrade Projects; and $22,450,000 to complete the dark energy and dark matter experiments, of which $5,450,000 is for DESI and $14,450,000 is for LUX ZEPLIN. Nuclear Physics.--Within available funds, the agreement provides $11,500,000 for the Stable Isotope Production Facility, $6,600,000 for the Gamma-Ray Energy Tracking Array, and $5,660,000 for the Super Pioneering High Energy Nuclear Interaction Experiment. The Department is directed to give priority to optimizing the operations for the Relativistic Heavy Ion Collider, the Continuous Electron Beam Accelerator Facility, the Argonne Tandem Linac Accelerator System, and the Brookhaven Linac Isotope Producer Facility. Workforce Development.--Within available funds, the agreement provides $10,300,000 for the Science Undergraduate Laboratory Internship and $3,500,000 for the Graduate Student Research ***Program***. Science Laboratories Infrastructure.--The Office of Science is directed to work with the Office of Nuclear Energy to demonstrate a commitment to operations and maintenance of nuclear facilities at Oak Ridge National Laboratory that support multiple critical missions. Advanced Research Projects Agency--Energy The conferees provide $366,000,000 for the Advanced Research Projects Agency--Energy. The Department is directed to continue to spend funds provided on research and development and ***program*** direction. The Department shall not use any appropriated funds to plan or execute the termination of ARPA-E. In addition, the Department is directed to disburse funds appropriated for ARPA-E on eligible projects within a reasonable time period, consistent with past practices. Title 17 Innovative Technology Loan Guarantee ***Program*** The conferees provide $33,000,000 for administrative expenses for the Title 17 Innovative Technology Loan Guarantee ***Program***. This amount is offset by estimated revenues of $15,000,000, resulting in a net appropriation of $18,000,000. The Department shall not use funds to plan, develop, implement, or pursue the elimination of the Title 17 Innovative Technology Loan Guarantee ***Program***. Advanced Technology Vehicles Manufacturing Loan ***Program*** The conferees provide $5,000,000 for the Advanced Technology Vehicles Manufacturing Loan ***Program***. [[Page H8020]] Tribal Energy Loan Guarantee ***Program*** The conferees provide $1,000,000 for the Tribal Energy Loan Guarantee ***Program***. Office of Indian Energy Policy and ***Programs*** The conferees provide $18,000,000 for the Office of Indian Energy Policy and ***Programs***. Departmental Administration The agreement provides $165,858,000 for Departmental Administration. Control Points.--In lieu of House and Senate direction on control points, the agreement includes six reprogramming control points in this account to provide flexibility in the management of support functions. The Other Departmental Administration activity includes Management, Project Management Oversight and Assessments, Chief Human Capital Officer, Office of Technology Transitions, Office of Small and Disadvantaged Business Utilization, General Counsel, Office of Policy, International Affairs, and Public Affairs. The Department is directed to continue to submit a budget request that proposes a separate funding level for each of these activities. The agreement does not adopt the proposal to ***transfer*** staff from the applied energy offices to International Affairs. Within International Affairs, the agreement includes $2,000,000 for the Israel Binational Industrial Research and Development (BIRD) Foundation and $4,000,000 for the U.S -Israel Center of Excellence in Energy, Engineering and Water Technology, which were previously funded in the Energy Efficiency and Renewable Energy account. Chief Information Officer.--To enhance the accountability for management of cyber resources, the agreement consolidates cybersecurity funding under the Office of the Chief Information Officer. The recommendation includes $131,624,000, including $96,793,000 as requested within Departmental Administration and $34,831,000 as requested for CyberOne activities within the DOE working capital fund. Within this amount, not less than $71,501,000 shall be for cybersecurity and secure information. Nuclear Power Plant Closings.--Prior to the opening of a permanent repository or monitored retrievable storage for spent nuclear fuel, power plant sites serve as de facto storage facilities for this nuclear waste. When a plant closes, onsite storage of spent nuclear fuel can be a factor affecting redevelopment of the location. The Department is directed to submit to the Committees on Appropriations of both Houses of Congress not later than 180 days after the enactment of this Act a study on existing public and private resources and funding for which municipalities where a nuclear power plant is decommissioned, in the process of decommissioning, or plans to shut down within 3 ***years*** of enactment of this Act and contains nuclear waste within its boundaries may be eligible. Radium Contamination.--The Department shall review the details of any facility of the Nevada System of Higher Education, as defined by the State of Nevada, that is contaminated with radium to determine whether the Department has a legal liability or authorization for remediation of such facility. Energy Technology Commercialization Fund.--In making awards from the Energy Technology Commercialization Fund established under section 1001(e) of the Energy Policy Act of 2005 (42 U.S.C 16391(e)), the requirements for matching funds shall be determined by the Secretary of Energy in accordance with section 988 of that Act (42 U.S.C 16352). Office of the Inspector General The agreement provides $51,330,000 for the Office of the Inspector General. ATOMIC ENERGY DEFENSE ACTIVITIES NATIONAL NUCLEAR SECURITY ADMINISTRATION The conferees provide $15,228,618,000 for the National Nuclear Security Administration (NNSA). The conferees include funding for the NNSA's institutional plant projects in the agreement and direct the NNSA to expedite reports that account for site indirect overhead and administrative costs as directed by the Congress. The NNSA Act clearly lays out the functions of the NNSA and gives the Administrator authority over, and responsibility for, those functions. While the NNSA may expend funds to study its organizational structure, no funds shall be used to reorganize or reclassify any of those functions specified in the NNSA Act. Weapons Activities The conferees provide $11,100,000,000 for Weapons Activities. The agreement directs the use of $13,080,000 in unexpended prior-***year*** balances to offset fiscal ***year*** 2019 needs. When proposing new or modified nuclear weapons activities, the Department shall ensure adherence to the requirements of 50 U.S.C 2529, including requesting a single dedicated line item for such activities. The NNSA is directed to comply with the direction in the House report regarding the W76-2 Modification ***Program***. IW/W78 Life Extension ***Program***.--In lieu of language in the House report on the W78 Life Extension ***Program*** (LEP), the NNSA is directed to provide to the Committees on Appropriations of both Houses of Congress, not later than 60 days after the of enactment of this Act and prior to commencement of phase 6.2, a report that provides the rationale for an insensitive-high explosive (IHE)-based system, an updated estimate of the cost and schedule for warhead development and production, and a rough order of magnitude cost and schedule comparison of the differences between the requested IW and a W76 LEP-like refurbishment of the W78. Further, the NNSA shall initiate an independent review by the Office of Cost Estimating and ***Program*** Evaluation (CEPE) of the analysis of alternatives process conducted as part of the life extension study of the W78 to assess objectivity, thoroughness, and adherence to the Government Accountability Office recommended best practices, in accordance with current NNSA policy. Not later than 180 days after the enactment of this Act, the NNSA shall provide to the Committees on Appropriations of both Houses of Congress a report that includes the following: (1) the results of the CEPE review; (2) a cost and schedule estimate to refurbish the W78 warhead in a manner similar to the W76 LEP; (3) a cost estimate for any needed upgrades to Department of Defense facilities to fully satisfy safety requirements for handling conventional high explosives; (4) impacts to the IW/W78 LEP if pit production targets are not met; and (5) the certification strategy for the IW/W78 LEP that addresses issues raised by the JASONs group in its review of certification risks for an IW with IHE and remanufactured pits. Domestic Uranium Enrichment.--In lieu of House or Senate language, the conferees direct the NNSA to ensure that there is a credible plan to complete adequate research, development, and demonstration prior to making a decision on domestic uranium enrichment for national security purposes and to focus efforts on work that will provide information to support that decision. No funds are provided for downblending highly enriched uranium. Funds at the requested level for downblending are included in the Tritium Sustainment account. Plutonium Pit Production Project.--The conferees include $75,000,000 to commence a new project to meet the NNSA's plutonium pit production targets, of which $11,000,000 shall be for the subproject to re-categorize the Radiological Laboratory Utility Office Building (RLUOB) to a hazard category-3 facility and $6,177,000 shall be for the subproject for the second phase of work to reconfigure the PF-4 facility. The NNSA is directed to budget for capital improvements and equipment installations to meet plutonium pit production targets, including the RLUOB re-categorization and the PF-4 phase 2 subprojects, as subprojects within the Plutonium Pit Production Project and to budget for operational expenses to meet plutonium pit production targets within Plutonium Sustainment Operations in future budget requests. Not later than 60 days after the enactment of this Act, the NNSA shall provide to the Committees on Appropriations of both Houses of Congress a report on the current scope, costs, and schedule required to meet its plutonium mission targets and shall submit a project data sheet for the Plutonium Pit Production Project in its fiscal ***year*** 2020 budget submission. Science.--Within amounts for Academic Alliances and Partnerships, $20,000,000 shall be for the Minority Serving Institution Partnerships ***Program***, within which $2,000,000 shall be for Tribal Colleges and Universities. The conferees include $50,000,000 for the Advanced Sources and Detectors Major Item of Equipment (MIE) and supporting research activities. The NNSA is directed to submit a project data sheet for the Advanced Sources and Detectors MIE in its fiscal ***year*** 2020 budget request. Funds for high energy density grants are included within the Inertial Confinement Fusion (ICF) and High Yield ***program***. Inertial Confinement Fusion and High Yield.--Within amounts for ICF, $344,000,000 shall be for the National Ignition Facility, $80,000,000 shall be for OMEGA, $63,100,000 shall be for the Z Facility, and $7,000,000 shall be for the Naval Research Laboratory. Within available amounts, funds are provided for target research, development, and production. Not later than 60 days after the enactment of this Act, the NNSA shall provide to the Committees on Appropriations of both Houses of Congress a report on the impacts to the ICF ***program*** of shifting to a full-cost recovery model for the National Ignition Facility. No further direction is provided. Advanced Simulation and Computing.--Within amounts for Advanced Simulation and Computing, $163,000,000 shall be for the exascale initiative, $20,000,000 shall be for advanced memory technology research, and $13,000,000 shall be for work on integrating artificial intelligence approaches into mechanistic modeling and prediction. Advanced Manufacturing Development.--Within amounts provided for Process Technology Development, the agreement includes $5,000,000 to modernize and upgrade legacy applications at weapons production facilities. Infrastructure and Operations.--The conferees include funding above the budget request within Maintenance and Repair and Recapitalization to address the significant backlog of deferred maintenance at the NNSA's sites. Within amounts for Recapitalization, $22,500,000 shall be for recapitalization of the MESA silicon fab facility as requested and $10,000,000 shall be to advance plans for the Tritium Production Capability Project. Chemistry and Metallurgy Research (CMR) Building Replacement Project.--The conferees include the subproject funding requested to re-categorize the RLUOB to a hazard category-3 facility and for the second phase of work to reconfigure the PF-4 facility within [[Page H8021]] the Plutonium Pit Production Project and direct the NNSA to request funds by these subprojects within the Plutonium Pit Production Project in future budget submissions. Defense Nuclear Nonproliferation (INCLUDING RESCISSION OF FUNDS) The conferees provide $1,949,000,000 for Defense Nuclear Nonproliferation. The agreement rescinds $19,000,000 from unexpended prior-***year*** balances and directs the use of $25,000,000 in prior-***year*** balances from nonproliferation construction to offset fiscal ***year*** 2019 needs. The agreement includes a provision that directs the use of $25,000,000 for design activities for the dilute and dispose strategy for plutonium disposition and a provision that prohibits the use of funds for construction and procurement activities for the Surplus Plutonium Disposition project. Global Material Security.--Within amounts for Domestic Radiological Security, the conferees provide $12,000,000 to improve capabilities to train first responders and other experts in nuclear operations, safeguards, cyber, and emergency response. Material Management and Minimization.--The NNSA shall discontinue requesting funds in this account for HEU Reactor Conversion in its fiscal ***year*** 2020 budget request and is directed to request funds for these activities within Laboratory and Partnership Support and Nonproliferation Fuel Development as provided in the conference agreement. Within amounts for Laboratory and Partnership Support, $15,000,000 shall be for technical support of global and industry partners that are seeking to minimize the use of highly- enriched uranium in the production of Mo-99 and $20,000,000 shall be to support the competitively-awarded funding opportunity to expedite the establishment of a stable domestic source of Mo-99 that was directed in the fiscal ***year*** 2018 Act. In lieu of language in the House report, the conferees include funding within Material Disposition for design, planning, and other supporting activities for the dilute and dispose strategy for plutonium disposition. Nonproliferation and Arms Control.--In lieu of language in the Senate report, the NNSA shall provide to the Committees on Appropriations of both Houses of Congress, not later than 45 days after the enactment of this Act, a briefing on international efforts to monitor global technology supply chains and implement robust export controls to prevent nuclear proliferation. MOX Fuel Fabrication Facility, SRS.--In lieu of language in the House and Senate reports, the conferees include funds for the project consistent with the amounts and uses authorized by the National Defense Authorization Act for Fiscal ***Year*** 2019. Defense Nuclear Nonproliferation Research and Development (DNN R&D).--Within amounts for Nonproliferation Fuels Development, $10,000,000 shall be for the national laboratories to develop high-density low-enriched fuels that could replace highly enriched uranium for naval applications. In lieu of the prohibition on the use of funds to convert the Advanced Test Reactor (ATR) and the High Flux Isotope Research Reactor (HFIR) in the House report, the NNSA shall provide to the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act a report on the total estimated costs to convert ATR, HFIR, TREAT, and any other reactor currently planned for conversion through the U.S High Performance Research Reactor ***Program***. The report shall include a multi-***year*** funding plan and schedule through completion for each separate reactor conversion and the estimates shall include sufficient contingency to account for any remaining programmatic and technical risks associated with the fuel development activities. Naval Reactors (INCLUDING ***TRANSFER*** OF FUNDS) The conferees provide $1,788,618,000 for Naval Reactors. The agreement includes a provision to ***transfer*** $85,500,000 to Nuclear Energy for operations and maintenance of the Advanced Test Reactor. Within funds for Naval Reactors Research and Development, $2,000,000 is for planning, preparation, and shipments of nuclear materials to support a pilot project on ZIRCEX. Federal Salaries and Expenses The conferees provide $410,000,000 for the federal salaries and expenses of the Office of the NNSA Administrator. ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES Defense Environmental Cleanup (INCLUDING RESCISSION OF FUNDS) The conferees provide $6,028,600,000 for Defense Environmental Cleanup. The conferees include a rescission of $4,600,000 in unexpended prior-***year*** balances from the Hexavalent Chromium Pump and Treatment Facility project and direct the use of $7,577,000 in prior-***year*** balances from the Savannah River Site to offset fiscal ***year*** 2019 needs. The Department is directed to submit its fiscal ***year*** 2020 budget request consistent with the budget structure for the Waste Treatment Plant in this Act. In lieu of the direction in the House and Senate reports, no funds are provided within the Richland or Office of River Protection control points for the Test Bed Initiative, consistent with the budget request. Not later than 60 days after the enactment of this Act, the Department shall submit to the Committees on Appropriations of both Houses of Congress a report on the Test Bed Initiative that includes expected costs and implementation schedule, impacts on the 2016 Consent Decree and Tri-Party Agreement, any necessary regulatory or permit changes, any necessary National Environmental Policy Act analysis, any necessary changes on site infrastructure, and plans for storage and disposal of waste generated through this initiative. If the Department requests funds for the Initiative in future budget submissions, such funds shall be requested within the Office of River Protection in a new, separate control point. Richland.--Within amounts for Richland, the conferees include $2,000,000 above the budget request for maintenance and repair of B Reactor and additional amounts above the budget request for cleanup of the 324 Building, Plutonium Finishing Plant, and K-West facility; interim stabilization of PUREX Tunnel #2; and site-wide infrastructure. Also within amounts for Richland, no funding shall be available to carry out activities relating to single-shell tank stabilization or tank farm activities outside of site-wide infrastructure activities. Within amounts for Central Plateau Remediation, $8,500,000 shall be for the Hazardous Materials Management and Emergency Response facilities. Technology Development and Deployment.--Within the amounts provided for Technology Development and Deployment, not less than $5,000,000 shall be for work on qualification, testing, and research to advance the state of the art of containment ventilation systems and the Department shall take the necessary steps to implement and competitively award a cooperative university affiliated research center for that purpose; $5,000,000 shall be for the National Spent Fuel ***Program*** at Idaho National Laboratory to address activities recommended by the Nuclear Waste Technical Review Board as directed in the House report; $5,000,000 shall be for independent review, analysis, and applied research to support cost-effective, risk-informed cleanup decision-making; and no further direction. Other Defense Activities The conferees provide $860,292,000 for Other Defense Activities and include the use of $2,000,000 in unexpended prior-***year*** balances to offset fiscal ***year*** 2019 needs. The agreement includes $12,000,000 above the budget request for targeted investments to defend the U.S energy sector against the evolving threat of cyber and other attacks in support of the resiliency of the nation's electric grid and energy infrastructure. The conferees are concerned with the recently issued Order 140.1, Interface with the Defense Nuclear Facilities Safety Board (DNFSB), and the potential impacts on the ability of the DNFSB to carry out its Congressionally-mandated responsibilities. Not later than 30 days after the enactment of this Act, the Department shall provide to the Committees on Appropriations of both Houses of Congress a briefing on how the Order differs from the previous Manual, how the Department plans to incorporate concerns from the DNFSB and the public, and the Department's plans to implement the Order across the organization. POWER MARKETING ADMINISTRATIONS No funds are recommended to divest transmission assets of the Power Marketing Administrations (PMA). The conferees remind the Department of the prohibition on studying ***transfer*** of PMA assets in Public Law 99-349. Organizational Reporting.--The Department recently announced a change in organizational structure moving the point of reporting for the PMAs to the Assistant Secretary for Electricity from the Deputy Secretary. The Committee has heard concerns that the realignment may indicate an intention to change the substantive relationship between the Department and each PMA, including actions related to PMA leadership decisions, use of the PMAs and their resources, and ratemaking; the Committee does not support such a change. The PMAs have unique statutory requirements, and the Committee expects the Department to adhere to and not expand upon those requirements. Bonneville Power Administration Fund The agreement provides no appropriation for the Bonneville Power Administration, which derives its funding from revenues deposited into the Bonneville Power Administration Fund. Operation and Maintenance, Southeastern Power Administration The agreement provides a net appropriation of $0 for the Southeastern Power Administration. Operation and Maintenance, Southwestern Power Administration The agreement provides a net appropriation of $10,400,000 for the Southwestern Power Administration. To ensure sufficient authority to meet purchase power and wheeling needs, the agreement includes $40,000,000 above the level credited as offsetting collections by the Congressional Budget Office. The Department is directed to continue working with the Committees on Appropriations of both Houses of Congress to provide necessary information to address this scoring issue for future fiscal ***years***. Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration The agreement provides a net appropriation of $89,372,000 for the Western Area Power [[Page H8022]] Administration. To ensure sufficient authority to meet purchase power and wheeling needs, the agreement includes $45,442,000 above the level credited as offsetting collections by the Congressional Budget Office. The Department is directed to continue working with the Committees on Appropriations of both Houses of Congress to provide necessary information to address this scoring issue for future fiscal ***years***. Falcon and Amistad Operating and Maintenance Fund The agreement provides a net appropriation of $228,000 for the Falcon and Amistad Operating and Maintenance Fund. The agreement includes the use of $2,500,000 in prior-***year*** balances. The agreement includes legislative language authorizing the acceptance and use of contributed funds in fiscal ***year*** 2019 for operating, maintaining, repairing, rehabilitating, replacing, or upgrading the hydroelectric facilities at the Falcon and Amistad Dams. Concerns persist that additional infrastructure investments are necessary at the Falcon and Amistad dams. Western is directed to coordinate with the International Boundary and Water Commission to determine a plan for addressing any needed improvements and brief the Committees on Appropriations of both Houses of Congress not later than 90 days after the enactment of this Act on progress towards finalizing a plan. Federal Energy Regulatory Commission SALARIES AND EXPENSES The agreement provides $369,900,000 for the Federal Energy Regulatory Commission (FERC). Revenues for FERC are set to an amount equal to the budget authority, resulting in a net appropriation of $0. FERC shall require the licensee of Oroville Dam to request the United States Society on Dams to nominate independent consultants to prepare a level 2 risk analysis, consistent with the Commission's guidelines, for use in conducting the next Part 12 safety review of Oroville Dam, currently scheduled for 2019. FERC shall ensure the independence of the nominated consultants from the licensee. GENERAL PROVISIONS--DEPARTMENT OF ENERGY (INCLUDING ***TRANSFERS*** OF FUNDS) The conferees include a modified provision prohibiting the use of funds provided in this title to initiate requests for proposals, other solicitations, or arrangements for new ***programs*** or activities that have not yet been approved and funded by the Congress; requires notification or a report for certain funding actions; prohibits funds to be used for certain multi-***year*** ``Energy ***Programs***'' activities without notification; and prohibits the obligation or expenditure of funds provided in this title through a reprogramming of funds except in certain circumstances. The conferees include a provision authorizing intelligence activities of the Department of Energy for purposes of section 504 of the National Security Act of 1947. The conferees include a provision prohibiting the use of funds in this title for capital construction of high hazard nuclear facilities, unless certain independent oversight is conducted. The conferees include a provision prohibiting the use of funds in this title to approve critical decision-2 or critical decision-3 for certain construction projects, unless a separate independent cost estimate has been developed for that critical decision. The conferees include a provision on the Department of Energy's Working Capital Fund. The conferees include a provision prohibiting funds in the Defense Nuclear Nonproliferation account for certain activities and assistance in the Russian Federation. The conferees include a provision regarding management of the Strategic Petroleum Reserve. The conferees include a provision regarding authority to release refined petroleum product from the Strategic Petroleum Reserve. [[Page H8023]] [GRAPHIC] [TIFF OMITTED] TH100918.039 [[Page H8024]] [GRAPHIC] [TIFF OMITTED] TH100918.040 [[Page H8025]] [GRAPHIC] [TIFF OMITTED] TH100918.041 [[Page H8026]] [GRAPHIC] [TIFF OMITTED] TH100918.042 [[Page H8027]] [GRAPHIC] [TIFF OMITTED] TH100918.043 [[Page H8028]] [GRAPHIC] [TIFF OMITTED] TH100918.044 [[Page H8029]] [GRAPHIC] [TIFF OMITTED] TH100918.045 [[Page H8030]] [GRAPHIC] [TIFF OMITTED] TH100918.046 [[Page H8031]] [GRAPHIC] [TIFF OMITTED] TH100918.047 [[Page H8032]] [GRAPHIC] [TIFF OMITTED] TH100918.048 [[Page H8033]] [GRAPHIC] [TIFF OMITTED] TH100918.049 [[Page H8034]] [GRAPHIC] [TIFF OMITTED] TH100918.050 [[Page H8035]] [GRAPHIC] [TIFF OMITTED] TH100918.051 [[Page H8036]] [GRAPHIC] [TIFF OMITTED] TH100918.052 [[Page H8037]] [GRAPHIC] [TIFF OMITTED] TH100918.053 [[Page H8038]] TITLE IV--INDEPENDENT AGENCIES The budget request proposes to eliminate the Delta Regional Authority, Denali Commission, and Northern Border Regional Commission. The budget requests funding to conduct closeout of the agencies in fiscal ***year*** 2019. Because Congress strongly opposes the termination of these agencies, the agreement includes funding to continue their activities. The Administration shall continue all activities funded by this Act as well as follow directive language included in this report. No funds shall be used for the planning of or implementation of termination of these agencies. Appalachian Regional Commission The conferees provide $165,000,000 for the Appalachian Regional Commission (ARC). The agreement includes the following direction in lieu of all direction included in the House and Senate reports. To diversify and enhance regional business development, $10,000,000 is provided to continue the ***program*** of high-speed broadband deployment in distressed counties within the Central Appalachian region that have been most negatively impacted by the downturn in the coal industry. This funding shall be in addition to the 30 percent directed to distressed counties. Within available funds, $73,000,000 is provided for base funds and $50,000,000 is for the POWER Initiative to support communities, primarily in Appalachia, that have been adversely impacted by the closure of coal-powered generating plants and a declining coal industry by providing resources for economic diversification, job creation, job training, and other employment services. Within available funds, not less than $16,000,000 is provided for a ***program*** of industrial site and workforce development in Southern and South Central Appalachia, focused primarily on the automotive supplier sector and the aviation sector. Up to $13,500,000 of that amount is provided for activities in Southern Appalachia. The funds shall be distributed to States that have distressed counties in Southern and South Central Appalachia using the ARC Area Development Formula. Within available funds, the agreement provides $16,000,000 for a ***program*** of basic infrastructure improvements in distressed counties in Central Appalachia. Funds shall be distributed according to ARC's distressed counties formula and shall be in addition to the regular allocation to distressed counties. In addition, the ARC is directed to engage in a partnership with a rural consortium that includes academic entities, rural health care providers, and economic development entities in order to develop information and data on overall ***agricultural*** and human health issues, how economic distress can be overcome through addressing these issues, and strategies for implementing solutions. The ARC is directed to provide to the Committees on Appropriations of both Houses of Congress not later than one ***year*** after the enactment of this Act a report describing activities in support of this effort. Defense Nuclear Facilities Safety Board SALARIES AND EXPENSES The conferees provide $31,000,000 for the Defense Nuclear Facilities Safety Board. The conferees include a provision that prohibits implementation of any reform or reorganization plan, including the plan announced on August 15, 2018, unless that plan is specifically authorized in law. Delta Regional Authority SALARIES AND EXPENSES The conferees provide $25,000,000 for the Delta Regional Authority (DRA). Within available funds, the agreement provides not less than $10,000,000 for flood control, basic public infrastructure development, and transportation improvements, which shall be allocated separate from the State formula funding method. The agreement does not include a statutory waiver with regard to DRA's priority of funding. The DRA is further directed to focus on activities relating to basic public infrastructure and transportation infrastructure before allocating funding toward other priority areas. Denali Commission The conferees provide $15,000,000 for the Denali Commission. Northern Border Regional Commission The conferees provide $20,000,000 for the Northern Border Regional Commission. Within available funds, not less than $4,000,000 is provided for initiatives that seek to address the decline in forest-based economies throughout the region. The agreement includes legislative language regarding the management of the Northern Border Regional Commission in fiscal ***year*** 2019. Southeast Crescent Regional Commission The conferees provide $250,000 for the Southeast Crescent Regional Commission. Nuclear Regulatory Commission SALARIES AND EXPENSES The Commission's mission is to ensure the safety and security of the nation's use of nuclear power and nuclear materials and protect the workers and public who use and benefit from these materials and facilities. The agreement provides $898,350,000 for Nuclear Regulatory Commission (Commission) salaries and expenses. This amount is offset by estimated revenues of $770,477,000, resulting in a net appropriation of $127,873,000. The agreement includes $10,300,000 for activities related to the development of regulatory infrastructure for advanced nuclear reactor technologies and $16,080,000 for international activities, which are not subject to the Commission's general fee recovery collection requirements. The agreement directs the use of $20,000,000 in prior-***year*** unobligated balances. The agreement includes the following direction in lieu of all direction included in the House and Senate reports: Nuclear Reactor Safety.--The agreement includes $469,767,000 for Nuclear Reactor Safety. This control point includes the Commission's Operating Reactors and New Reactors business lines. Integrated University ***Program***.--The agreement includes $15,000,000 for the Integrated University ***Program***. Of this amount, $5,000,000 is to be used for grants to support projects that do not align with programmatic missions but are critical to maintaining the discipline of nuclear science and engineering. Nuclear Materials and Waste Safety.--The agreement includes $108,609,000 for Nuclear Materials and Waste Safety. Included within this control point are the Fuel Facilities, Nuclear Material Users, and Spent Fuel Storage and Transportation business lines. Decommissioning and Low-Level Waste.--The agreement includes $25,393,000 for Decommissioning and Low-Level Waste. Corporate Support.--The agreement includes $299,581,000 for Corporate Support. The agreement provides, within available funds, not more than $9,500,000 for the salaries, travel, and other support costs for the Office of the Commission. These salaries and expenses shall include only salaries and benefit and travel costs, and are not to include general, administrative, or infrastructure costs. The use and expenditure of these funds shall be jointly managed through majority vote of the Commission. The Commission shall continue to include a breakout and explanation of the Commission salaries and expenses in its annual budget requests. If the Commission wishes to change the composition of the funds in future ***years***, it must do so in an annual budget request or through a reprogramming. Budget Execution Plan.--The Commission shall provide a specific budget execution plan to the Committees on Appropriations of both Houses of Congress not later than 30 days after the enactment of this Act. The plan shall include details at the product line level within each of the control points. Unobligated Balances from Prior Appropriations.--The Commission carries unobligated balances from appropriations received prior to fiscal ***year*** 2018. The agreement requires the use of $20,000,000 of these balances, derived from fee- based activities. The Commission is directed to apply these savings in a manner that continues to ensure the protection of public health and safety and maintains the effectiveness of the current inspection ***program***. Because the Commission has already collected fees corresponding to these activities in prior ***years***, the agreement does not include these funds within the fee base calculation for determining authorized revenues and does not provide authority to collect additional offsetting receipts for their use. Any remaining unobligated balances carried forward from prior ***years*** are subject to the reprogramming guidelines in section 402 of the Act, and shall only be used to supplement appropriations consistent with those guidelines. Rulemaking.--The Commission shall submit to the Committees on Appropriations of both Houses of Congress a list of all rulemaking activities planned, to include their priority, schedule, and actions taken to adhere to the backfit rule, in the annual budget request and the semi-annual report to Congress on licensing and regulatory activities. Transformation Initiative.--The Transformation Initiative is intended to enhance the Commission's ability to evaluate and regulate new and novel technologies--such as accident tolerant fuels, new materials and new manufacturing approaches, big data, digital instrumentation and controls, and small modular and advanced reactor designs--that will challenge the Commission's current regulatory framework. In future budget requests, the Commission is directed to include concrete proposals developed under the Initiative and to reflect savings achieved from their implementation. Accident Tolerant Fuels.--Not later than 180 days after the date of enactment of this Act, the Commission shall submit to the Committees on Appropriations of both Houses of Congress a plan describing the Commission's activities with respect to the testing of materials, the development of consensus standards, and the validation of computer codes and how these activities will be integrated with the work of external organizations. The plan shall describe how the Advanced Test Reactor, the Transient Reactor Test Facility, and the Halden Reactor support these efforts. Digital Instrumentation and Control.--Not later than 90 days after the date of enactment of this Act, the Commission shall submit to the Committees on Appropriations of both Houses of Congress a report describing approaches to permitting the use of digital instrumentation and control in safety applications outside of the nuclear industry. The report shall discuss whether the permitting approaches used in non-nuclear applications would be acceptable in nuclear applications, and if not, explain why not. Reporting Requirements.--The agreement directs the Commission to continue to provide [[Page H8039]] to the Committees on Appropriations of both Houses of Congress a quarterly report on licensing goals and right- sizing commitments, as described in the explanatory statement for Public Law 114-113. (dollars in thousands) ------------------------------------------------------------------------ Conference ------------------------------------------------------------------------ Nuclear Reactor Safety............................... 469,767 Integrated University ***Program***........................ 15,000 Nuclear Materials And Waste Safety................... 108,609 Decommissioning And Low-Level Waste.................. 25,393 Corporate Support.................................... 299,581 Use Of Prior-***Year*** Balances........................... -20,000 Total, Nuclear Regulatory Commission............. 898,350 ------------------------------------------------------------------------ OFFICE OF INSPECTOR GENERAL The agreement includes $12,609,000 for the Office of Inspector General in the Nuclear Regulatory Commission. This amount is graphic by revenues of $10,355,000, for a net appropriation of $2,254,000. The agreement includes $1,103,000 to provide inspector general services for the Defense Nuclear Facilities Safety Board. Nuclear Waste Technical Review Board SALARIES AND EXPENSES The conferees provide $3,600,000 for the Nuclear Waste Technical Review Board. GENERAL PROVISIONS--INDEPENDENT AGENCIES The conferees include a provision instructing the Nuclear Regulatory Commission on responding to congressional requests for information. The conferees include a provision relating to reprogramming. TITLE V--GENERAL PROVISIONS (INCLUDING ***TRANSFER*** OF FUNDS) The conferees include a provision relating to lobbying restrictions. The conferees include a provision relating to ***transfer*** authority. No additional ***transfer*** authority is implied or conveyed by this provision. For the purposes of this provision, the term ``***transfer***'' shall mean the shifting of all or part of the budget authority in one account to another. In addition to ***transfers*** provided in this Act or other appropriations Acts, and existing authorities, such as the Economy Act (31 U.S.C 1535), by which one part of the United States Government may provide goods or services to another part, the Act allows ***transfers*** using Section 4705 of the Atomic Energy Defense Act (50 U.S.C 2745) and 15 U.S.C 638 regarding SBIR/STTR. The conferees include a provision prohibiting funds to be used in contravention of the executive order entitled ``Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations.'' The conferees include a provision prohibiting the use of funds to establish or maintain a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, except for law enforcement investigation, prosecution, or adjudication activities. The conferees include a provision providing for an additional amount for the Bureau of Reclamation. [[Page H8040]] [GRAPHIC] [TIFF OMITTED] TH100918.054 [[Page H8041]] [GRAPHIC] [TIFF OMITTED] TH100918.055 [[Page H8042]] [GRAPHIC] [TIFF OMITTED] TH100918.056 [[Page H8043]] [GRAPHIC] [TIFF OMITTED] TH100918.057 [[Page H8044]] [GRAPHIC] [TIFF OMITTED] TH100918.058 [[Page H8045]] [GRAPHIC] [TIFF OMITTED] TH100918.059 [[Page H8046]] [GRAPHIC] [TIFF OMITTED] TH100918.060 [[Page H8047]] [GRAPHIC] [TIFF OMITTED] TH100918.061 [[Page H8048]] [GRAPHIC] [TIFF OMITTED] TH100918.062 [[Page H8049]] DIVISION B--LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2019 The following is an explanation of the effects of Division B, which makes appropriations for the Legislative Branch for fiscal ***year*** 2019. Unless otherwise noted, reference to the House and Senate reports are to House Report 115-696 and Senate Report 115-274. The language included in these reports should be complied with and carry the same emphasis as the language included in the explanatory statement, unless specifically addressed to the contrary in this explanatory statement. While repeating some report language for emphasis, this explanatory statement does not intend to negate the language referred to above unless expressly provided herein. Reprogramming Guidelines: It is expected that all agencies notify the Committees on Appropriations of the House and the Senate of any significant departures from budget plans presented to the Committees in any agency's budget justifications. In particular, agencies funded through this bill are required to notify the Committees prior to each reprogramming of funds in excess of the lesser of 10 percent or $750,000 between ***programs***, projects or activities, or in excess of $750,000 between object classifications (except for shifts within the pay categories, object class 11, 12, and 13 or as further specified in each agency's respective section). This includes cumulative reprogrammings that together total at least $750,000 from or to a particular ***program***, activity, or object classification as well as reprogramming full time equivalents (FTE) or funds to create new organizational entities within the agency or to restructure entities which already exist. The Committees desire to be notified of reprogramming actions which involve less than the above- mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future ***years*** or if ***programs*** or projects specifically cited in the Committees' reports are affected. Inspector General Budgets: The conferees believe it is important to ensure independence between Legislative Branch Inspectors General (IG) and their respective reporting agencies and expect to see a separate section in each agency's fiscal ***year*** 2020 budget justification reflecting a detailed budget request for the agency's IG Office. Additionally, the conferees direct each IG to keep the Committees fully apprised of its funding needs, and the conferees direct each agency not to interfere with or require approval for such communications. TITLE I SENATE The agreement includes $934,666,642 for Senate operations. This item relates solely to the Senate, and is in accordance with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention. Senate Employees' Child Care Center (SECCC): In lieu of language included in Senate Report 115-274, the agreement directs the Government Accountability Office (GAO) to review the current operations of the SECCC. GAO must receive input from related constituencies including SECCC Board Members and the Executive Director. GAO shall conduct a study and provide its findings to the Committee on Appropriations and the Committee on Rules and Administration no later than 180 days after enactment of this act. The study shall: examine the current statutory impediments to and feasibility of incorporating the SECCC into either the office of the Sergeant at Arms or the office of the Secretary of the Senate; the current costs to operate the facility, including capital, operating, salaries, benefits and other expenses and how those might convey to one of the Senate entities named; investigate the creation and operation of a revolving fund by which tuition and other ***payments*** may be received; detail the best method of dissolving the 501(c)(3) that currently runs the SECCC; and recommend a personnel process to govern hires, ***transfers***, promotions, and approvals for training. The study should also include an accounting of the SECCC's requirements to maintain certification and licensing as a certified and/or accredited child care and child development facility in the District of Columbia. That accounting should also include any requirements for insurance or other liability protections for the staff or the facility. The study should disclose all costs associated with the operation of the center that are currently incurred by the SECCC, the Architect of the Capitol, the Senate Sergeant at Arms, and the Secretary of the Senate. When developing its findings, the Committee strongly encourages GAO to consider the structure and capacity of child care facilities that serve employees of other Legislative Branch agencies, the House of Representatives, and Executive Branch agencies. The conferees further direct the Comptroller General to brief the Committee on Rules and Administration not later than 90 days after enactment on preliminary findings of the Comptroller General's evaluation, with the report to follow at a date to be determined at the time of the briefing. In lieu of language included in Senate Report 115-274, the agreement includes the following: Senate Staff Compensation Review: Ensuring Senate staff compensation is competitive and fair is critical to attracting and retaining highly-qualified staff. The Secretary of the Senate is directed to conduct a review, or contract with an independent external entity to conduct a review, of the salaries and benefits of staff employed by Senators' offices and Senate Committees to evaluate the extent to which Senate staff receive similar pay for similar work, both internally and externally to the Senate. The review must consider job responsibilities, experience, and outside qualifications, including education, for such comparisons. Providing such compensation data is strictly voluntary for any Senator's office or Senate Committee, and any such office may direct that its data be excluded from any data provided for the review. The review should note how many offices, in the aggregate, chose not to participate. The Secretary, or contracting entity, must also take all reasonable and necessary steps to ensure that the data gathered is securely protected and kept confidential. The Committee directs that such a review be started, or contracted out, within 12 months of enactment and that a report summarizing such review be submitted, within 18 months of enactment, to the Committee on Appropriations and upon request to any Senator. Such report must provide summaries of such comparisons and exclude any information that could be used to identify any individual, any Senators' office, any Committee, or any other entity of the Senate, similar to reports published in 2001 and 2006. Senate Intern Compensation: The agreement reiterates directives included in Senate Report 115-274 related to Senate Intern Compensation and notes that $5,000,000 is provided for such purpose. Death Gratuity: Consistent with tradition, the agreement provides $174,000 to the widow of Senator John Sidney McCain III. Administrative Provisions The agreement provides for unspent amounts remaining in Senators' Official Personnel and Office Expense Account to be used for deficit or debt reduction; amends the Federal Election Campaign Act relating to electronic filings; and extends the authority as provided for in section 21(d) of Senate Resolution 64 of the 113th Congress, as amended by section 178 of Public Law 114-223. HOUSE OF REPRESENTATIVES The agreement includes $1,232,663,035 for House operations. This item relates solely to the House, and is in accordance with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention. Chief Administrative Office House Campus Food Service: The conferees commend the Chief Administrative Officer (CAO) for the addition of several branded options to the House campus and encourage the CAO to continue exploring opportunities to add more. Members Dining Room (MDR): Dating back to 1858, the MDR has provided a social space where Members meet with one another and with their constituents. This is a unique and special experience for visitors of all ages. There have been ongoing concerns over the ***years*** regarding improvements to food service and quality in the MDR. The conferees direct the Chief Administrative Officer to explore applying the branded option concept to the dining room in an effort to provide consistent service, better food selection, and quality food to Members and their guests. The CAO is to report back to the appropriate stakeholders regarding options and timelines within 90 days. Office of the Legislative Counsel of the House Funding: The House Office of Legislative Counsel (HOLC) staffing has not increased proportionally to meet Member expectations for drafting assistance. The HOLC has recently experienced a loss of key personnel, including to the executive branch. While the current Legislative Counsel is to be commended for his strategic management approach and successful recruitment of talented personnel, the HOLC needs additional resources to hire and retain additional attorneys, paralegals, and administrative staff. An additional $2,000,000 is provided so that HOLC will be better positioned over the long-term to meet its statutory responsibility and support Members and staff throughout the legislative process. The conferees specifically expect HOLC to ensure the availability of drafting assistance to Members, committees and leadership offices when legislative activity is expected or legislative deadlines are approaching. Paid Internships: The conferees believe that House internships should be available to the broadest possible pool of candidates who have the ability and interest to serve. Unpaid internships can be an impediment to otherwise qualified candidates who cannot independently afford to work without pay. One important step to expanding the opportunity for public service within the House is to provide interns financial compensation via a salary. The underlying bill provides up to $20,000 per Member office for the sole purpose of paid internships. The paid internship positions shall not count against the number of employees who may be employed by a Member of the House under 2 U.S.C 5321. The Committee on House Administration will promulgate rules and regulations on the implementation of this new authority. Administrative Provisions The agreement provides for unspent amounts remaining in Members' Representational Allowances account to be used for deficit or debt reduction; prohibits the delivery [[Page H8050]] of bills and resolutions; prohibits the delivery of printed copies of the Congressional Record; places a limitation on amount available to lease vehicles; places a limitation on print copies of the U.S Code; prohibits delivery of reports of disbursements, daily ***calendars***, and the Congressional Pictorial Directory; repeal of authorizations for former Speakers; and ***transfer*** authority. JOINT ITEMS Joint Economic Committee The agreement includes $4,203,000 for salaries and expenses. Joint Committee on Taxation The agreement includes $11,169,000 for salaries and expenses. Office of the Attending Physician The agreement includes $3,798,000. Office of Congressional Accessibility Services SALARIES AND EXPENSES The agreement includes $1,486,000 for salaries and expenses. Capitol Police SALARIES The agreement includes $374,804,000 for salaries of the Capitol Police (USCP). The increase includes necessary half ***year*** funds to provide full ***year*** funding for those sworn hired from fiscal ***year*** 2018 funding to staff the House Garage Security initiative and limited prescreening; half ***year*** funding to fully fund 48 civilian positions hired from fiscal ***year*** 2018 funding that will replace positions currently staffed by sworn officers, who will be redeployed to meet critical mission requirements and provide immediate personnel utility; and additional half ***year*** funds in fiscal ***year*** 2019 for the hiring of 72 sworn and 21 civilian positions for additional sworn prescreeners at office buildings and the implementation of enhanced screening at the Capitol Visitor Center, as well as one position for the USCP Office of Inspector General. No more than $43,668,000 is recommended for overtime in fiscal ***year*** 2019. This provides for approximately 665,000 hours of additional duty. Risk-Based Protections for Members of Congress: As highlighted by the 2017 shooting in Alexandria, Virginia, evolving threats to Congress include the physical targeting of Members of Congress. In addition to securing the Capitol campus, the conferees find that ensuring the continuity of government must include protecting the physical security of Members. This bill includes $1,000,000 to enhance Member security outside of the Capitol campus in the National Capital Region, as warranted by risk-based analyses. Such funds may be used to reimburse local law enforcement and/or support additional dignitary protection teams to be assigned on a flexible and dynamic basis. The conferees further expect the USCP to adopt Inspector General recommendations on improving the effectiveness of USCP units, including those other than the Uniformed Services Bureau, to better position the USCP to expand off-campus security for Members. The USCP is directed to report to the Committees within 90 days of enactment on plans for utilizing the increased funding for off-campus Member security in the National Capital Region, including cost estimates for expanding such efforts. The USCP is also directed to include in such report a recommendation to the Committees on specific features of such events that may warrant a threat assessment. Such recommendation should be made in a format that could better inform Members and staff of events that may need to be alerted to the USCP. Use of Grounds: The conferees understand the need to maintain safety and order on the Capitol grounds and the USCP is commended for their efforts. Given the family-style neighborhood that the Capitol shares with the surrounding community the conferees continue to instruct the Capitol Police to forebear enforcement of 2 U.S.C 1963 (``an act to protect the public property, turf, and grass of the Capitol Grounds from injury'') and the Traffic Regulations for the United States Capitol Grounds when encountering snow sledders on the grounds. Horse Mounted Unit: For a period of time prior to fiscal ***year*** 2006 the USCP operated a six-person Horse Mounted Unit (HMU). The non-personnel start-up costs and annual operating budget required to have a dedicated USCP HMU at this time would take resources away from USCP priorities. However, some believe that having a HMU occasionally patrol the Capitol campus could be beneficial both from an aesthetic and security perspective. The USCP is directed to provide a report to the Committees within 90 days of enactment that explores the possibility of entering into a memorandum of understanding with the United States Park Police (USPP) and the Metropolitan Police Department to provide HMU support around the Capitol campus. The report must address all aspects of such MOU, including any anticipated direct costs and any reimbursement ***payments***. The report must also provide a detailed analysis of the security improvements that could be made under such an MOU, including accounting for the potential frequency of USPP and MPD HMU presence on the campus. USCP Office of Inspector General: The agreement includes funds to support not less than six FTEs within the USCP Office of Inspector General. General Expenses The agreement includes $81,504,000 for general expenses of the Capitol Police. Office of Compliance SALARIES AND EXPENSES The agreement includes $6,332,670 for salaries and expenses. Compliance and Training Additional Resources: The conferees recognize the continued work on reforming the Congressional Accountability Act (CAA) and the process by which harassment and discrimination are reported in the workplace. In support of the ongoing CAA reform efforts and the increasing role and expectations of the Office of Compliance (OOC) including training of Legislative Branch offices and agencies, which includes the addition of the Library of Congress earlier this ***year***, the agreement provides an additional $1,373,670 above the fiscal ***year*** 2018 enacted level. Congressional Budget Office SALARIES AND EXPENSES The agreement includes $50,737,000 for salaries and expenses. Responsiveness to Congress: The Congressional Budget Office (CBO) provides Congress with estimates and analyses which can play an influential role in the legislative process. The conferees support the CBO's initiatives to improve responsiveness to Congress. To better understand the needs of the agency with respect to these initiatives, the conferees request additional details and plans for current and future efforts. Specifically, the conferees request information pertaining to the allocation of time and resources spent on formal cost estimates versus informal cost estimates and an update on the agency's plans to enhance the tracking of this information. Architect of the Capitol The agreement includes $733,745,000 for the activities of the Architect of the Capitol (AOC). Office of Inspector General (OIG): Within funds provided the conferees direct the AOC OIG to employ not fewer than 14 full-time equivalent positions during fiscal ***year*** 2019. Capital Construction and Operations The agreement includes $103,962,000 for Capital Construction and Operations. With respect to operations and projects, the following is agreed to: Operating Budget........................................ $103,962,000 Total, Capital Construction and Operations.............. $103,962,000 Capitol Building The agreement includes $43,992,000, for maintenance, care, and operation of the Capitol, of which $17,344,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget...................................... $26,648,000 Project Budget: Security Improvements, House Chamber, USC......... 4,857,000 Senate Reception Room Restoration and 4,363,000 Conservation, USC................................ Fire Alarm System Upgrade, USC.................... 2,525,000 Conservation of Fine and Architectural Art........ 599,000 Minor Construction................................ 5,000,000 ----------------- 17,344,000 Total, Capitol Building............................... $43,992,000 Capitol Grounds The agreement includes $16,761,000 for the care and improvements of the grounds surrounding the Capitol, House and Senate office buildings, and the Capitol Power Plant, of which $5,519,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget...................................... $11,242,000 Project Budget: Light Pole Structural Repairs and Improvements, 2,519,000 Phase III-VI..................................... [[Page H8051]] Minor Construction................................ 3,000,000 ----------------- 5,519,000 Total, Capitol Grounds................................ $16,761,000 House Office Buildings The agreement includes $197,098,000 for the care and maintenance of the House Office Buildings, of which $65,552,000 shall remain available until September 30, 2023 and $62,000,000 shall remain available until expended. Operating Budget...................................... $59,546,000 Project Budget: Garage Interior Rehabilitation, Phase IV, RHOB.... 32,721,000 Security Enhancements, Phase IV and V, HOB........ 22,171,000 CAO Project Support............................... 3,660,000 Restoration & Renovation, CHOB.................... 62,000,000 Minor Construction................................ 7,000,000 ----------------- 127,552,000 House Office Buildings (base ***program***)................. $187,098,000 House Historic Buildings Revitalization Trust Fund 10,000,000 Total, House Office Buildings......................... $197,098,000 This item relates solely to the House and is in accordance with long practice under which each body determines its own housekeeping requirements, and the other concurs without intervention. Cannon Tunnel Improvements: The tunnel connecting the Cannon House Office Building and the Capitol Building is the path many visitors travel in route to visiting the Capitol. The current condition of the Cannon tunnel is that of a basement ambience. Furthermore the tunnel is subject to leaks which have recently caused the tunnel to be closed. The Architect of the Capitol, in consultation with the Clerk of the House, is directed to develop a comprehensive plan to enhance the tunnel. The plan should include cost estimates, timeline, and renderings to improve the welcoming experience as visitors make their way to the Capitol. Capitol South Metro Station Arrival Area: The conferees recognize the symbolism of the Capitol complex to our nation and around the world. A desire exists to make improvements to the welcoming experience as visitors arrive at the campus. The Architect of the Capitol is directed to further study, evaluate, and develop designs for the transformation of First Street, SE into a more welcoming environment with specific improvements targeted to creating a safe and secure arrival area at the Capitol South Metro station. Senate Office Buildings The agreement includes $93,562,000 for the maintenance, care and operation of the Senate Office Buildings, of which $31,162,000 shall remain available until September 30, 2023. Operating Budget...................................... $62,400,000 Project Budget: Emergency Generator Replacement, HSOB............. 850,000 Fire Alarm Upgrade, DSOB.......................... 606,000 Exterior Envelope Repair & Restoration, Phases IV 24,706,000 and V, RSOB...................................... ----------------- Minor Construction................................ 5,000,000 ----------------- 31,162,000 Total, Senate Office Buildings................ $93,562,000 This item relates solely to the Senate and is in accordance with long practice under which each body determines its own housekeeping requirements, and the other concurs without intervention. Capitol Power Plant In addition to the $9,000,000 made available from receipts credited as reimbursements to this appropriation, the agreement includes $114,050,000 for maintenance, care and operation of the Capitol Power Plant, of which $31,362,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget...................................... $91,688,000 Project Budget: Cooling Tower Renovation and Electrical Upgrades, 21,215,000 Phase IV......................................... Tunnel Waterproofing, Y Tunnel.................... 4,709,000 Switchgear B & Pump Replacement, RPR, Phase VI.... 724,000 Condenser Water Pump and HVAC Replacement, RPR, 714,000 Phase VII........................................ Minor Construction................................ 4,000,000 ----------------- 31,362,000 Subtotal, Capitol Power Plant................. $123,050,000 Offsetting Collections.................... (9,000,000) ----------------- Total, Capitol Power Plant.................... $114,050,000 Library Buildings and Grounds The agreement includes $68,525,000 for Library of Congress Buildings and Grounds, of which $40,403,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget...................................... $28,122,000 Project Budget: North Exit Stair B, Phase II, TJB................. 18,090,000 Emergency Lighting System Upgrade, TJB............ 7,490,000 Book Conveyor System Removal and In-Fill, JMMB.... 4,762,000 Exterior Masonry and Envelope Repairs, TJB........ 2,149,000 Fire Alarm and Audibility Upgrade, JMMB........... 1,622,000 ESPC Management ***Program***, LBG...................... 1,790,000 National Library Service Relocation Design........ 2,000,000 Minor Construction................................ 2,500,000 ----------------- 40,403,000 Total, Library Buildings and Grounds.......... $68,525,000 [[Page H8052]] Capitol Police Buildings, Grounds, and Security The agreement includes $57,714,000 for Capitol Police Buildings, Grounds, and Security, of which $31,777,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget...................................... $25,937,000 Project Budget: Chiller Replacement and Chilled Water System 15,477,000 Expansion, Phase I, ACF.............................. Barrier Lifecycle and Perimeter Security Kiosk 8,300,000 Replacement, Phase III............................... South Door Screening Center Design and Initial 3,000,000 Construction, USC.................................... Minor Construction.................................... 5,000,000 ----------------- 31,777,000 Total, Capitol Police Buildings, Grounds, and $57,714,000 Security..................................... Alternate Computing Facility (ACF): The conferees direct the AOC to develop and present a multi-***year*** strategic plan for the use of the ACF and associated costs estimates to meet the plan. The conferees direct the AOC to work with their stakeholders and Committees of jurisdiction when developing the plan. Additionally, as part of the analysis for developing the strategic plan the AOC is directed to work with the Uptime Institute or equivalent certifying authority to have a third-party assessment of the data center at the ACF. Botanic Garden The agreement includes $14,759,000 for salaries and expenses for the Botanic Garden, of which $3,559,000 shall remain available until September 30, 2023. With respect to operations and projects, the following is agreed to: Operating Budget........................................ $11,200,000 Project Budget: Security Upgrade, BGC............................... 959,000 Minor Construction.................................. 2,600,000 --------------- 3,559,000 Total, Botanic Garden........................... $14,759,000 Capitol Visitor Center The agreement includes $23,322,000 for the Capitol Visitor Center. administrative provisions The agreement prohibits ***payments*** of bonuses to contractors behind schedule or over budget; prohibits expenditure of funds for scrims for projects performed by the Architect of the Capitol; allows interagency ***transfers*** of funds to support the security needs of Congress; amends the small purchase threshold; authorizes details of employees; and authorizes employees to accept reimbursement of expenses for attending meetings and other functions in an official capacity. Acceptance of Travel Expenses from Non-Federal Sources: The Architect of the Capitol is directed to update its Ethics Order to incorporate this new authority as well as including the requirement applicable to executive branch agencies that the Architect of the Capitol submit semi-annual reports on all expenses paid in amounts greater than $250. LIBRARY OF CONGRESS salaries and expenses The agreement includes $474,052,000 in direct appropriations and authority to spend receipts of $6,000,000, for a total of $480,052,000. This amount includes $2,383,000 for the Veterans History Project and $8,653,000 for the Teaching with Primary Sources ***program***. Visitor Experience: The vision for the Visitor Experience enhancements at the Library of Congress' Thomas Jefferson Building has strong support in Congress. By expanding, revitalizing, and better showcasing the Library's available ***programs*** and historical artifacts, the Visitor Experience will capitalize on investments in the Library while also opening up the Library's treasures to more visitors from across the United States and the world. To date, $10,000,000 of taxpayer money has been appropriated and a commitment of $10,000,000 in private donations for this public/private partnership initiative has been secured. The preliminary cost estimate provided by the Library of Congress for this project is $60,000,000. The conferees believe a substantial down ***payment*** for this initiative has been invested which demonstrates the robust support and commitment of Congress. While one third of the funding for this initiative has been secured, routine budget justification materials, such as a detailed cost estimate, design, and timeline are still under development at the Library. As directed in Public Law 115-141 and its accompanying explanatory statement, the Committees on Appropriations of the House and Senate look forward to receiving and reviewing a comprehensive Visitor Experience plan, which will provide the basis for appropriation of further project funding and ensure taxpayer dollars are being spent wisely. Ultimately this project has the potential to transform the way in which the collection and story of the world's largest library is shared with millions of people for decades to come. The conferees applaud the forward thinking vision of the Visitor Experience concept and look forward to continuing Congress' partnership with the Library of Congress to make this concept a reality. Preservation: The Library utilizes multiple preservation strategies to extend the life of its vast collections for future generations to enjoy, including building and operating climate-controlled storage facilities, preparing new acquisitions for commercial binding and shelving, deacidification, and digital reformatting. The conferees support the Library's preservation efforts and direct the Library to continue funding for ongoing preservation activities at not less than the current level for each ongoing preservation strategy. National Film and Sound Recording Preservation ***Programs***: As noted in the Senate Report 115-274, the conferees expect that the Library will provide support to these ***programs***. COPYRIGHT OFFICE salaries and expenses The agreement includes $43,589,000 in direct appropriations to the Copyright Office which fully funds the agency's amended request. An additional $45,490,000 is made available from receipts for salaries and expenses and $4,328,000 is available from prior ***year*** unobligated balances, for a total of $93,407,000. CONGRESSIONAL RESEARCH SERVICE salaries and expenses The agreement includes $125,688,000 for salaries and expenses. Technology Assessment Study: The Committees have heard testimony on, and received dozens of requests advocating for restoring funding to the Office of Technology Assessment, and more generally on how Congress equips itself with the deep technical advice necessary to understand and tackle the growing number of science and technology policy challenges facing our country. The conferees direct the Congressional Research Service (CRS) to engage with the National Academy of Public Administration or a similar external entity to produce a report detailing the current resources available to Members of Congress within the Legislative Branch regarding science and technology policy, including the GAO. This study should also assess the potential need within the Legislative Branch to create a separate entity charged with the mission of providing nonpartisan advice on issues of science and technology. Furthermore, the study should also address if the creation of such entity duplicates services already available to Members of Congress. CRS should work with the Committees in developing the parameters of the study and once complete, the study should be made available to relevant oversight Committees. BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED salaries and expenses The agreement includes $52,783,000 for salaries and expenses. administrative provision The agreement includes a provision regarding reimbursable and revolving funds. Government Publishing Office congressional publishing (including ***transfer*** of funds) The agreement includes $79,000,000 for authorized publishing, printing and binding for the Congress. National Library Services: The conferees are encouraged with the progress to-date on the relocation of the Library of Congress's (LOC) National Library Services division to a location within Government Publishing Office (GPO) owned office space. The conferees have provided the Architect of the Capitol $2,000,000 for design and initial construction. GPO is directed to help facilitate this move which the conferees believe is beneficial for both GPO and LOC. Budget Justifications: GPO routinely utilizes carryover balances from previous fiscal ***years*** to complete major initiatives and [[Page H8053]] other services required by Congress. While the conferees support this efficient use of funds for these efforts, the conferees direct GPO to include such planned spending for future fiscal ***years*** in its agency budget justifications. This will ensure that all future project and other spending planning by GPO will be transparent and justified to the Congress. public information ***programs*** of the superintendent of documents salaries and expenses (including ***transfer*** of funds) The agreement includes $32,000,000. government publishing office business operations revolving fund The agreement includes $6,000,000. GOVERNMENT ACCOUNTABILITY OFFICE salaries and expenses The agreement includes $589,749,653 in direct appropriations for salaries and expenses of the Government Accountability Office (GAO). In addition, $35,900,000 is available from offsetting collections, for a total of $625,649,653. This level of funding will enable GAO to hire an additional 50 FTE compared to both the fiscal ***year*** 2018 funding level and the request level. Added to GAO's ongoing hiring plan, total staffing levels will increase by 130 FTE compared to the fiscal ***year*** 2018 level. Technology Assessment: There is general support in Congress to bolster capacity of and enhance access to quality, independent science and technological expertise. Since 2002, GAO has provided direct support to Congress in the area of technology assessment through objective, rigorous, and timely assessments of emerging science and technologies. The Center for Science, Technology, and Engineering (CSTE) within GAO has developed such a capacity, providing wide-ranging technical expertise across all of GAO's areas of work. However, because the scope of technological complexities continues to grow significantly, the conferees seek opportunities to expand technology assessment capacity within the Legislative Branch. The conferees encourage GAO to reorganize its technology and science function by creating a new more prominent office within GAO. GAO is directed to provide the Committees a detailed plan and timeline describing how this new office can expand and enhance GAO's capabilities in scientific and technological assessments. This plan should be developed in consultation with internal stakeholders of the Legislative Branch such as congressional staff and Members of Congress in addition to external stakeholders, including nonprofit organizations and subject matter experts knowledgeable in the field of emerging and current technologies. Further, such a plan should include a description of the revised organizational structure within GAO, provide potential cost estimates as necessary, and analyze the following issues: the appropriate scope of work and depth of analysis; the optimum size and staff skillset needed to fulfill its mission; the opportunity and utility of shared efficiencies within GAO; and the opportunities to increase GAO's engagement and support with Congress. GAO is directed to submit this report to the Committees within 180 days of enactment. USCP Mandatory Retirement Age: The conferees direct the Government Accountability Office to provide a written report to the Committees within one ***year*** of enactment on the feasibility and impact of permanently raising the USCP sworn employee mandatory retirement age from 57 ***years*** of age to 60 ***years*** of age. The report should address the young and vigorous law enforcement standard; the potential impact to benefits afforded to USCP sworn employees under the Capitol Police Retirement Act, the Social Security benefit, the Federal Employees Retirement System benefit, and the Thrift Savings Plan annuity; the long-term financial impact on the USCP if enacted; and provide benchmark data against other Federal law enforcement agencies to ensure Federal law enforcement parity for the USCP will not be impacted should the mandatory retirement age be raised to 60 ***years*** of age. In addition, in consultation with the Office of Personnel Management, the Government Accountability Office should provide amendment language to the Capitol Police Retirement Act for such a change to be made and validate that the ``young and vigorous'' basis of CPRA mandatory age retirement requirements is acceptable for the entire federal workforce given present-day health and wellness standards. Open World Leadership Center Trust Fund The agreement includes $5,600,000. Mission: The conferees applaud the Open World Leadership Center (OWLC) as it enters its twentieth ***year*** of operation. The highlight of OWLC's accomplishments has been the engagement of ***program*** participants with United States Government officials, including Members of Congress, which helps to improve the image of the United States in countries where leaders have limited direct interface with Americans and our values. The political landscape around the world is constantly shifting, and Congress's needs for dialogue with leaders around the world who shape America's image in their own countries is increasing. The conferees look forward to the OWLC being a continued and potentially growing resource for the initiation and ongoing means of dialogue with emerging legislatures and/or countries undergoing governmental transition. The conferees direct OWLC to collaborate with its current Board of Directors as well as Congressional stakeholders to present a report outlining potential ways in which OWLC can meet its mission in an evolving world. John C. Stennis Center for Public Service Training and Development The agreement includes $430,000. TITLE II--GENERAL PROVISIONS The agreement continues provisions related to maintenance and care of private vehicles; fiscal ***year*** limitations; rates of compensation and designation; consulting services; costs of the LBFMC; limitation on ***transfers***; guided tours of the Capitol; and includes provisions related to limitation on telecommunications equipment procurement; prohibition on certain operational expenses; plastic waste reduction; agency cost of living adjustments; and adjustments to compensation. [[Page H8054]] [GRAPHIC] [TIFF OMITTED] TH100918.063 [[Page H8055]] [GRAPHIC] [TIFF OMITTED] TH100918.064 [[Page H8056]] [GRAPHIC] [TIFF OMITTED] TH100918.065 [[Page H8057]] [GRAPHIC] [TIFF OMITTED] TH100918.066 [[Page H8058]] [GRAPHIC] [TIFF OMITTED] TH100918.067 [[Page H8059]] [GRAPHIC] [TIFF OMITTED] TH100918.068 [[Page H8060]] [GRAPHIC] [TIFF OMITTED] TH100918.069 [[Page H8061]] [GRAPHIC] [TIFF OMITTED] TH100918.070 [[Page H8062]] [GRAPHIC] [TIFF OMITTED] TH100918.071 [[Page H8063]] [GRAPHIC] [TIFF OMITTED] TH100918.072 [[Page H8064]] [GRAPHIC] [TIFF OMITTED] TH100918.073 [[Page H8065]] [GRAPHIC] [TIFF OMITTED] TH100918.074 [[Page H8066]] [GRAPHIC] [TIFF OMITTED] TH100918.075 [[Page H8067]] DIVISION C--MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS ACT, 2019 The following is an explanation of the effects of Division C, which makes appropriations for Military Construction, Veterans Affairs, and Related Agencies for fiscal ***year*** 2019. Unless otherwise noted, reference to the House and Senate reports are to House Report 115-673 and Senate Report 115- 269. The language set forth in House Report 115-673 and Senate Report 115-269 should be complied with and carry the same emphasis as the language included in the joint explanatory statement, unless specifically addressed to the contrary in this joint explanatory statement. While repeating some report language for emphasis, this joint explanatory statement does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or the Senate has directed the submission of a report, such report is to be submitted to both Houses of Congress. House or Senate reporting requirements with deadlines prior to, or within 15 days after enactment of this Act shall be submitted no later than 60 days after enactment of this Act. All other reporting deadlines not specifically directed by this joint explanatory statement are to be met. TITLE I DEPARTMENT OF DEFENSE Bid Savings.--Cost variation notices required by 10 U.S.C 2853 continue to demonstrate the Department of Defense (DOD) continues to have bid savings on previously appropriated military construction projects. Therefore, the conference agreement includes rescissions to the Air Force, Army National Guard, Homeowners Assistance ***Program***, the NATO Security Investment ***Program*** and Navy and Marine Corps Family Housing accounts. The Secretary of Defense is directed to continue to submit 1002 reports on military construction bid savings at the end of each fiscal quarter to the Committees. Incremental Funding.--In general, the conferees support full funding for military construction projects if they are executable. However, it continues to be the practice of the Committees to provide incremental funding for certain large projects to enable the services to more efficiently allocate military construction dollars among projects that can be executed in the ***year*** of appropriation. Therefore, the conference agreement includes 9 projects that have been incrementally funded, however the full authorization of the projects will be provided in the National Defense Authorization Act for Fiscal ***Year*** 2019. Facilities Sustainment, Restoration and Modernization (FSRM).--The Department of Defense is directed to continue describing on form 1390 the backlog of FSRM requirements at installations with future construction projects. For troop housing requests, form 1391 should describe any FSRM conducted in the past two ***years***. Likewise, future requirements for unaccompanied housing at the corresponding installation should be included. Additionally, the forms should include English equivalent measurements for projects presented in metric measurement. Rules for funding repairs of facilities under the Operation and Maintenance accounts are described below: (1) components of the facility may be repaired by replacement. Such replacement can be up to current standards or codes; (2) interior arrangements and restorations may be included as repair; (3) additions, new facilities, and functional conversions must be performed as military construction projects. Such projects may be done concurrently with repair projects as long as the final conjunctively funded project is a complete and usable facility; and (4) the appropriate service secretary shall notify the appropriate committees 21 days prior to carrying out any repair project with an estimated cost in excess of $7,500,000. The Committees strongly encourage the services and defense agencies to indicate the plant replacement value of the facility to be repaired on each such notification. Enhancing force protection and security on military installations.--In collaboration with the House Armed Services Committee, the conference agreement includes section 132 which provides $50,000,000 to each of the military construction accounts for Navy and Marine Corps and the Air Force to help alleviate deficiencies in access control points, air traffic control towers, fire stations, and AT/FP deficiencies across the enterprise. There has been much concern on both sides of the aisle that these types of military construction projects continually fall short of securing funding in a fiscal ***year*** due to higher priorities within the Services. Each Service Secretary is directed to submit a spend plan for the additional funds no later than 30 days after enactment of this Act to the congressional defense committees. Cell Site Simulators.--The conferees are concerned with the potential threat of cell site simulators located near DOD facilities. Therefore, the conferees direct the Secretary of Defense to submit to the congressional defense committees within 180 days of enactment of this Act a full accounting of cell site simulators detected near DOD facilities during the three ***year*** period ending on the date of enactment of this Act. The report should also include the actions taken by the Secretary to protect personnel of the Department, their families, and facilities of the Department from foreign powers using such technology to conduct surveillance. US Army Corps of Engineers restructuring (USACE).--On July 30, 2018, the Secretary of Defense approved a Secretary of the Army memorandum identifying specific actions the Army will take in support of the Administration's proposed reorganization of USACE's Civil Works ***Program***. The reorganization includes taking the Civil Works ***program*** out of the Army Corps of Engineers with navigation going to the Department of Transportation for infrastructure grants and the remaining accounts to the Department of Interior. The conferees are perplexed as to why there was no notification or discussion with Members of Congress and Committees staffs on an action of this magnitude that crosses multiple subcommittees' jurisdiction. This type of proposal, as the Department is well aware, will require legislative language which has not been proposed or requested to date. The conferees are opposed to the reorganization as it could ultimately have impacts for implementation of the Military Construction, BRAC and Family Housing ***programs***. Military Construction, Army The conference agreement provides $1,021,768,000 for Military Construction, Army. Within this amount, the agreement provides $110,068,000 for study, planning, design, architect and engineer services, and host nation support. The agreement also provides an additional $10,000,000 above the request to supplement unspecified minor military construction. Sunflower Army Ammunition Plant.--Consistent with the direction in the Senate Report 115-269, the conferees direct the Army to continue its remediation and evaluations at the former Sunflower Army Ammunition Plant, comply with applicable regulations and permit requirements, and work with regulatory agencies to ensure all response sites are remediated to applicable and approved standards. The Army should continue to communicate with Sunflower Redevelopment, LLC and conduct regular stakeholder meetings and monthly conference calls to address questions or issues related to cleanup and redevelopment. Badger Army Ammunition Plant.--Consistent with the direction in the Senate Report 115-269, the conferees direct the Army to continue to test, using both aggregate and chemical-specific methods, for emerging contaminants subject to an EPA Health Advisory Level at the former Badger Army Ammunition Plant, in nearby surface waters, and in drinking water in affected surrounding communities. The Army is directed to provide to local stakeholders the results of that testing and, if testing results show threats to human health, a plan to remediate the contamination, including dedicated funding resources, schedule, and specific actions. Conveyance of property.--The conferees note that the Army is proposing to convey 17.1 acres of land known as Shenandoah Square and the 126 existing housing units to raise capital to improve other military housing owned by private entities. Under the proposed action, the existing 126 housing units would be demolished to allow for the construction of high- density residential housing. The residents have expressed concern about the displacement from Shenandoah Square as it is in one of the most expensive housing markets in the country and the uncertainty about the affordability of new potential housing on the site. Therefore, the conferees urge the Department of the Army to explore all possible alternatives to a conveyance of Shenandoah Square, including a sublease of the property to an entity that can better develop affordable housing on the property. Military Construction, Navy and Marine Corps The conference agreement provides $2,118,619,000 for Military Construction, Navy and Marine Corps. Within this amount, the conference agreement provides $185,542,000 for study, planning, design, architect and engineer services. Military Construction, Air Force The conference agreement provides $1,440,323,000 for Military Construction, Air Force. Within this amount, the conference agreement provides $206,577,000 for study, planning, design, architect and engineer services. Little Rock Air Force Base.--As described in the Senate report 115-269, the conferees direct the Secretary of the Air Force to submit a report coordinated with the Army Corps of Engineers no later than 90 days after enactment of this Act providing the status on the cancelled runway project at Little Rock AFB and the replacement project, including what happened to the funding used for the original contract, a justification for the increase in cost for the new project, if any of the completed work from the cancelled project is salvageable, how the Air Force is resolving the issues that led to contract termination and ensuring, to the extent possible, that they are not repeated in follow-on contracts, and how and when a future project will be funded. Additionally, the conferees direct the Air Force to appoint a senior official who shall be responsible for the project and will provide quarterly project updates to the congressional defense committees. Air Force Weapons Storage Facility Reprogramming.--On July 9, 2018, the Department of Defense sent the Committees a reprogramming request that included source funds from a cancelled prior ***year*** project, which the conferees had each rescinded in [[Page H8068]] their respective bills. The conferees recognize the importance of the Weapons Storage Facility (WSF) modernization ***program***, but are concerned that the Department has potentially developed improper and unnecessary requirements that are leading to execution delays and cost overruns against an already strained military construction budget. This has resulted in schedule delays to follow on projects, which also may experience similar challenges unless corrective action is taken. The conferees encourage the Department to sufficiently solicit and incorporate input from all stakeholders in developing requirements, to include the Air Force Strategic Deterrence and Nuclear Integration directorate, and further encourage the Air Force to incorporate lessons learned from prior Navy WSF modernization efforts. The conferees direct the Department to provide quarterly briefings to update the Committees on status, requirements changes, and timeline updates for current and future projects associated with the WSF modernization ***program***. The conferees urge the Department to expeditiously seek alternative funding sources for the current reprogramming from unobligated balances or bid savings to avoid further execution delays. Military Construction, Defense-Wide (INCLUDING ***TRANSFER*** OF FUNDS) The conference agreement provides $2,550,728,000 for Military Construction, Defense-Wide. Within this amount, the conference agreement provides $192,345,000 for study, planning, design, architect and engineer services. Parking issues at DOD facilities.--The conferees are concerned that Military Construction budget constraints are negatively affecting the ability of the Department of Defense to address urgent parking requirements at certain U.S military installations. The lack of parking is a safety issue and a detriment to the well-being of employees, both civilian and military. The conferees are concerned that the Department does not have a coherent strategy to address the growing parking requirements at installations that have seen significant growth. For example, Fort Meade, which already was home to the National Security Agency, became the headquarters of the newly formed U.S Cyber Command in 2010. By 2011, the Defense Information Systems Agency, which handles the Pentagon's IT and communications needs, had moved onto the base. In 2005, the base had just over 33,500 employees. Today, it has about 57,000, more than double the number of workers at the Pentagon. As a result of this growth, parking at Fort Meade has become a serious issue. Therefore, the conferees direct the Secretary of Defense to submit to the Committees with the fiscal ***year*** 2020 military construction budget request: an updated list of unfunded requirements for parking facilities, access control points, and road construction at DOD facilities that have serious parking, access, and road congestion issues. Finally, the Secretary is further directed to submit, with the fiscal ***year*** 2020 military construction budget request, a list of how those requirements will be incorporated into their construction requests for fiscal ***years*** 2021 through 2025. MIT/Lincoln Labs.--The conferees have incrementally funded the Air Force MIT/Lincoln Lab project commensurate with the outlay rate of funds for fiscal ***year*** 2019 as reflected in budget documents. While the conference agreement does not provide full funding for this project, the conferees strongly support MIT/Lincoln Labs mission and its completion. The conferees fully expect the Air Force to continue to prioritize funding for this project in executable increments. Energy Resilience and Conservation Investment ***Program*** (ERCIP).--The conference agreement provides $193,390,000 for ERCIP, an increase of $43,390,000 over the budget request to fund the top six unfunded requirements of the ***program*** for energy resilience. Also, an additional $5,000,000 is provided under the Defense-Wide planning and design account specifically for ERCIP. The Secretary of Defense is directed to submit to the congressional defense committees a spend plan for the additional ERCIP funds, to include the planning and design funds, no later than 30 days after enactment of this Act. Military Construction, Army National Guard The conference agreement provides $190,122,000 for Military Construction, Army National Guard. Within this amount, the conference agreement provides $16,622,000 for study, planning, design, architect and engineer services. The conference agreement also provides an additional $10,000,000 above the budget request to supplement unspecified minor military construction. Military Construction, Air National Guard The conference agreement provides $129,126,000 for Military Construction, Air National Guard. Within this amount, the conference agreement provides $18,500,000 for study, planning, design, architect and engineer services. Military Construction, Army Reserve The conference agreement provides $64,919,000 for Military Construction, Army Reserve. Within this amount, the conference agreement provides $5,855,000 for study, planning, design, architect and engineer services. Military Construction, Navy Reserve The conference agreement provides $43,065,000 for Military Construction, Navy Reserve. Within this amount, the conference agreement provides $4,695,000 for study, planning, design, architect and engineer services. Military Construction, Air Force Reserve The conference agreement provides $38,063,000 for Military Construction, Air Force Reserve. Within this amount, the conference agreement provides $4,055,000 for study, planning, design, architect and engineer services. North Atlantic Treaty Organization Security Investment ***Program*** The conference agreement provides $171,064,000 for the North Atlantic Treaty Organization Security Investment ***Program***. Department of Defense Base Closure Account The conference agreement provides $342,000,000 for the Department of Defense Base Closure Account, an increase of $74,462,000 above the request. The additional funding is for the Department to accelerate environmental remediation at installations closed under previous Base Realignment and Closure rounds. Navy Clean Up Cost.--The conference report provides an additional $60,462,000 for the Navy to accelerate environmental remediation at installations closed under previous Base Closure and Realignment rounds. Furthermore, the Navy shall provide to the Committees a spend plan for these additional funds no later than 30 days after enactment of this Act. Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA).--The conference report provides $14,000,000 in additional funds for identification, mitigation, and clean-up costs across the Department of Defense for PFOS and PFOA. DOD is directed to submit a spend plan for these additional funds to the Committees no later than 30 days after enactment of this Act. Demolition of Previous BRAC Facilities.--The conferees are concerned that the Department of Defense does not have an adequate plan for demolishing previous BRAC sites. For example, the Ontario International Airport was the Ontario Air National Guard Station that was established in 1949. This facility remained in operation for decades, assisting training and support for the Korean, Vietnam, and countless other wars and conflicts. In 1997, the facility was closed, yet the old site has sat largely unchanged for 20 ***years*** due to the environmental hazards of demolition. The conferees urge the Department to dedicate funds to demolish BRAC facilities and turn the land over to the local community as quickly as possible. DEPARTMENT OF DEFENSE Family Housing Item of Interest Military family housing units.--The conferees are concerned for the well-being of servicemembers and their families residing in on-post military housing with regard to their exposure to toxic levels of lead based paint. It has been reported that installations around the country possess housing units that contain lead based paint levels exceeding the federal threshold for acceptable levels and could have grave implications on servicemembers and their families' health. In addition, the conferees are interested in what steps the Department is taking for oversight of DOD privatized family housing. Therefore, the conferees direct the DOD Inspector General to conduct an investigation and submit a report to the congressional defense committees on toxic lead levels at military housing on all installations no later than 90 days after the enactment of this Act. Family Housing Construction, Army The conference agreement provides $330,660,000 for Family Housing Construction, Army. Family Housing Operation and Maintenance, Army The conference agreement provides $376,509,000 for Family Housing Operation and Maintenance, Army. Family Housing Construction, Navy and Marine Corps The conference agreement provides $104,581,000 for Family Housing Construction, Navy and Marine Corps. Family Housing Operation and Maintenance, Navy and Marine Corps The conference agreement provides $314,536,000 for Family Housing Operation and Maintenance, Navy and Marine Corps. Family Housing Construction, Air Force The conference agreement provides $78,446,000 for Family Housing Construction, Air Force. Family Housing Operation and Maintenance, Air Force The conference agreement provides $317,274,000 for Family Housing Operation and Maintenance, Air Force. Family Housing Operation and Maintenance, Defense-Wide The conference agreement provides $58,373,000 for Family Housing Operation and Maintenance, Defense-Wide. DEPARTMENT OF DEFENSE Family Housing Improvement Fund The conference agreement provides $1,653,000 for the Department of Defense Family Housing Improvement Fund. DEPARTMENT OF DEFENSE Military Unaccompanied Housing Improvement Fund The conference agreement provides $600,000 for the Department of Defense Military Unaccompanied Housing Improvement Fund. [[Page H8069]] ADMINISTRATIVE PROVISIONS (Including ***Transfers*** and Rescissions of Funds) The conference agreement includes section 101 limiting the use of funds under a cost-plus-a-fixed-fee contract. The conference agreement includes section 102 allowing the use of construction funds in this title for hire of passenger motor vehicles. The conference agreement includes section 103 allowing the use of construction funds in this title for advances to the Federal Highway Administration for the construction of access roads. The conference agreement includes section 104 prohibiting construction of new bases in the United States without a specific appropriation. The conference agreement includes section 105 limiting the use of funds for the purchase of land or land easements that exceed 100 percent of the value. The conference agreement includes section 106 prohibiting the use of funds, except funds appropriated in this title for that purpose, for family housing. The conference agreement includes section 107 limiting the use of minor construction funds to ***transfer*** or relocate activities. The conference agreement includes section 108 prohibiting the procurement of steel unless American producers, fabricators, and manufacturers have been allowed to compete. The conference agreement includes section 109 prohibiting the use of construction or family housing funds to pay real property taxes in any foreign nation. The conference agreement includes section 110 prohibiting the use of funds to initiate a new installation overseas without prior notification. The conference agreement includes section 111 establishing a preference for American architectural and engineering services for overseas projects. The conference agreement includes section 112 establishing a preference for American contractors in United States territories and possessions in the Pacific and on Kwajalein Atoll and in countries bordering the Arabian Gulf. The conference agreement includes section 113 requiring congressional notification of military exercises when construction costs exceed $100,000. The conference agreement includes section 114 allowing funds appropriated in prior ***years*** for new projects authorized during the current session of Congress. The conference agreement includes section 115 allowing the use of expired or lapsed funds to pay the cost of supervision for any project being completed with lapsed funds. The conference agreement includes section 116 allowing military construction funds to be available for five ***years***. The conference agreement includes section 117 allowing the ***transfer*** of funds from Family Housing Construction accounts to the Family Housing Improvement ***Program***. The conference agreement includes section 118 allowing ***transfers*** to the Homeowners Assistance Fund. The conference agreement includes section 119 limiting the source of operation and maintenance funds for flag and general officer quarters and allowing for notification by electronic medium. The provision also requires an annual report on the expenditures of each quarters. The conference agreement includes section 120 extending the availability of funds in the Ford Island Improvement Account. The conference agreement includes section 121 allowing the ***transfer*** of expired funds to the Foreign Currency Fluctuations, Construction, Defense account. The conference agreement includes section 122 restricting the obligation of funds for relocating an Army unit that performs a testing mission. The conference agreement includes section 123 allowing for the reprogramming of construction funds among projects and activities subject to certain criteria. The conference agreement includes section 124 prohibiting the obligation or expenditure of funds provided to the Department of Defense for military construction for projects at Arlington National Cemetery. The conference agreement includes section 125 providing additional construction funds for various Military Construction accounts. The conference agreement includes section 126 rescinding funds from prior Appropriation Acts from various accounts. The conference agreement includes section 127 defining the congressional defense committees. The conference agreement includes section 128 prohibiting the use of funds in this Act to close or realign Naval Station Guantanamo Bay, Cuba. The provision is intended to prevent the closure or realignment of the installation out of the possession of the United States, and maintain the Naval Station's long-standing regional security and migrant operations missions. The conference agreement includes section 129 restricting funds in the Act to be used to consolidate or relocate any element of Air Force Rapid Engineer Deployable Heavy Operational Repair Squadron Engineer until certain conditions are met. The conference agreement includes section 130 providing additional funds for land acquisition and Defense Access Roads for Arlington Cemetery. The conference agreement includes section 131 directing all amounts appropriated to ``Military Construction, Army'', ``Military Construction, Navy and Marine Corps'', ``Military Construction, Air Force'', and ``Military Construction, Defense-Wide'' accounts be immediately available and allotted for the full scope of authorized projects. The conference agreement includes section 132 providing additional funds for anti-terrorism and force protection at military installations. [[Page H8070]] [GRAPHIC] [TIFF OMITTED] TH100918.076 [[Page H8071]] [GRAPHIC] [TIFF OMITTED] TH100918.077 [[Page H8072]] [GRAPHIC] [TIFF OMITTED] TH100918.078 [[Page H8073]] [GRAPHIC] [TIFF OMITTED] TH100918.079 [[Page H8074]] [GRAPHIC] [TIFF OMITTED] TH100918.080 [[Page H8075]] [GRAPHIC] [TIFF OMITTED] TH100918.081 [[Page H8076]] [GRAPHIC] [TIFF OMITTED] TH100918.082 [[Page H8077]] [GRAPHIC] [TIFF OMITTED] TH100918.083 [[Page H8078]] [GRAPHIC] [TIFF OMITTED] TH100918.084 [[Page H8079]] [GRAPHIC] [TIFF OMITTED] TH100918.085 [[Page H8080]] [GRAPHIC] [TIFF OMITTED] TH100918.086 [[Page H8081]] [GRAPHIC] [TIFF OMITTED] TH100918.087 [[Page H8082]] TITLE II DEPARTMENT OF VETERANS AFFAIRS Veterans Benefits Administration COMPENSATION AND PENSIONS (INCLUDING ***TRANSFER*** OF FUNDS) The conference agreement provides $109,017,152,000 for Compensation and Pensions in advance for fiscal ***year*** 2020. Of the amount provided, not more than $18,047,000 is to be ***transferred*** to General Operating Expenses, Veterans Benefits Administration (VBA) and Information Technology Systems for reimbursement of necessary expenses in implementing provisions of title 38. The conference agreement also provides $2,994,366,000 for fiscal ***year*** 2019 in addition to the advance appropriation provided last ***year***. READJUSTMENT BENEFITS The conference agreement provides $14,065,282,000 for Readjustment Benefits in advance for fiscal ***year*** 2020. VETERANS INSURANCE AND INDEMNITIES The conference agreement provides $111,340,000 for Veterans Insurance and Indemnities in advance for fiscal ***year*** 2020. VETERANS HOUSING BENEFIT ***PROGRAM*** FUND The conference agreement provides such sums as may be necessary for costs associated with direct and guaranteed loans for the Veterans Housing Benefit ***Program*** Fund. The conference agreement limits obligations for direct loans to not more than $500,000 and provides that $200,612,000 shall be available for administrative expenses. VOCATIONAL REHABILITATION LOANS ***PROGRAM*** ACCOUNT The conference agreement provides $39,000 for the cost of direct loans from the Vocational Rehabilitation Loans ***Program*** Account, plus $396,000 to be paid to the appropriation for General Operating Expenses, Veterans Benefits Administration. The conference agreement provides for a direct loan limitation of $2,037,000. NATIVE AMERICAN VETERAN HOUSING LOAN ***PROGRAM*** ACCOUNT The conference agreement provides $1,163,000 for administrative expenses of the Native American Veteran Housing Loan ***Program*** Account. GENERAL OPERATING EXPENSES, VETERANS BENEFITS ADMINISTRATION The conference agreement provides $2,956,316,000 for General Operating Expenses, Veterans Benefits Administration and, of the amount provided, not to exceed 10 percent is available for obligation until September 30, 2020. The conference agreement provides $87,407,000 above the request to manage disability claims and appeals backlogs and the intent of the conference agreement is that these additional funds be used for the Veterans Claims Intake ***Program***; additional claims and appellate staff; increased staff for the Vocational Rehabilitation and Employment ***program***; and overtime ***payments***, as necessary. Claims prioritization.--As indicated in the House report, VA is urged to prioritize the most vulnerable veterans, such as those who are elderly or in poor health, for initial claims processing and claims appeals. Medical disability exams.--As described in the Senate report, VA is directed to ensure that any non-VA physician contracted to conduct medical disability examinations have a current unrestricted license to practice as a physician, and is not barred from practicing in any State, the District of Columbia, or a Commonwealth, Territory, or possession of the United States. Equitable relief.--As described in the House report, the Secretary is directed to continue to grant or extend equitable relief to eligible veterans initially deemed eligible in instances of administrative error. VETERANS HEALTH ADMINISTRATION Medical Services The conference agreement provides $51,411,165,000 in advance for fiscal ***year*** 2020 for Medical Services and makes $1,500,000,000 of the advance available through fiscal ***year*** 2021. The conference agreement also provides $750,000,000 for fiscal ***year*** 2019 in addition to the advance appropriation provided last ***year*** and includes bill language requiring the Secretary to ensure that sufficient amounts are available for the acquisition of prosthetics designed specifically for female veterans. Opioid abuse.--The conference agreement provides $348,000,000 for opioid treatment and prevention ***programs*** and $52,025,000 to continue to implement opioid safety initiatives outlined as part of the Comprehensive Addiction and Recovery Act, as well as to develop ***programs*** aimed at ensuring that non-VA providers treating veterans through community care ***programs*** are informed and in compliance with all VA standards for opioid safety and prescription guidelines. The conference agreement also includes $270,000,000 for the Office of Rural Health's Rural Health Initiative, which funds several pilot projects aimed at treating and preventing opioid abuse, including projects focused on alternatives to opioid-centered pain management in rural, highly rural, and remote areas; and $54,337,000 for the Justice Outreach Homeless Prevention ***program*** within the VA's Veterans Homelessness ***Programs*** which among other things ensures that veterans encountered by police, in jails or courts, have timely access to substance abuse treatment or prevention ***programs*** and services. The conferees direct VA to ensure that all clinicians, including pharmacists, receive guidance on assessing the risks and benefits of critical drug interactions with opioids when a pharmacist overrides such interaction under section 913 of Public Law 114-98. The conferees urge VA to ensure that all VA providers who prescribe opioids consistently use the Opioid Therapy Risk Report tool under the Opioid Safety Initiative, including prior to initiating opioid therapy, to ensure safe prescribing, and to help prevent diversion, abuse, and double-prescribing. Moreover, VA should further improve the timeliness of data available in the tool to allow real-time access to data on a patient who was prescribed opioid therapy by another facility, in another State, or by mail order to prevent overprescribing and abuse potential. As noted in the House report, VA is urged to assist the two States that have not installed the technology to exchange data from their State prescription drug monitoring boards with VA. The conferees urge robust implementation of VA's plan to expand the scope of research, education, delivery, and integration of Complementary and Integrative Health into the health care services. In addition, the conferees urge VA to prioritize continued implementation of the reforms made to the patient advocacy ***program*** as required by the Jason Simcakoski Memorial and Promise Act (Title IX, Public Law 114-98). Furthermore, VA is urged to implement recent GAO recommendations to improve oversight of the controlled substance inspection ***program*** and to document its progress; as well as Office of the Inspector General recommendations, including ensuring that community care providers review the safe opioid prescribing guidelines and Opioid Safety Initiative protocols and implementing a process to provide community care providers a complete up-to-date list of medications and medical history of the veteran during non-VA care consults. The conferees also direct the Department to create an opioid abuse healthcare kit for community healthcare providers and ensure completion of a continuing medication course in pain management by providers at VA health facilities. Lastly, all directives contained in House Report 115-673 and Senate Report 115-269 not specifically addressed above shall be complied with. Mental health.--The conference agreement provides $8,618,628,000 for mental health ***programs*** and includes $206,128,000 for suicide prevention outreach, an increase of $16,128,000 above the request. To best meet the needs of veterans seeking assistance, the conferees instruct the Secretary to make any necessary improvements to Veterans Crisis Line (VCL) operations including, but not limited to, ensuring appropriate staffing for call centers and back-up centers, providing necessary training for VCL staff, and ensuring that staff are able to appropriately and effectively respond to the needs of veterans needing assistance. The conferees also direct the Secretary to provide the Committees on Appropriations of both Houses of Congress a report, no later than 90 days after enactment of this Act, which contains an update detailing findings on the outcomes and efficacy of the VCL from the Veterans Crisis Line Study Act of 2017. In addition, the conferees urge VA to increase support for primary care-mental health integration and recovery models, expand telemental health services, build on success of evidence-based psychotherapy initiatives, and guide treatment decisions by measuring the outcomes of interventions. National Center for Post-Traumatic Stress Disorder.--The conference agreement provides $40,000,000 for the National Center for Post-Traumatic Stress Disorder (NCPTSD). The conferees direct the Department to submit to the Committees on Appropriations of both Houses of Congress, no later than 90 days after enactment of this Act, an assessment of the additional full time staff needed to carry out the priorities of the NCPTSD, as described in the congressional budget justification, as well as a hiring plan, and a plan for ensuring that all community care mental health providers receive information about NCPTSD and its consultation ***program***. Inpatient substance abuse.--As indicated in the House report, VA is urged to focus on reducing the burdensome wait times for veterans seeking inpatient substance abuse treatment. Non-citizen veteran outreach.--As stated in the House report, VA is urged to conduct more aggressive outreach to at-risk, non-citizen veterans to offer mental health counseling and other early intervention drug and alcohol services. Licensed professional mental health counselors and marriage and family therapists.--As stated in the Senate report, VA is directed to work with the Office of Personnel Management to create an Occupational Series for Licensed Professional Mental Health Counselors and Marriage and Family Therapists and to create a staffing plan to fill such open positions and assess shortages. Homeless assistance ***programs***.--The conference agreement provides $1,818,534,000 for homeless assistance ***programs***, which includes $380,000,000 for the homeless supportive services for low income veterans and families, a level which is $60,000,000 above the request. Additionally, the agreement includes $54,337,000 for Justice Outreach Homeless Prevention ***Program***, $5,000,000 above the request. The conferees expect the Department to dedicate funding for VA's Homeless Assistance ***Programs*** consistent with the increases described in this agreement and with Congressional Justifications which were [[Page H8083]] transmitted with the fiscal ***year*** 2019 budget request and not to divert the resources to other areas. The conferees direct that notification should be provided to the Committees of any reprogramming of funding provided for Homeless Assistance ***Programs***. Lastly, all directives contained in House Report 115-673 and Senate Report 115-269 not specifically addressed above shall be complied with. Veteran Homelessness in the Greater Los Angeles Region.--As indicated in the Senate report, VA is directed to provide a report outlining the cost and feasibility of contracting with local community-based agencies and non-profit organizations to provide additional case management services in regions where the Department does not meet the recommended 25:1 case management staffing ratio. Construction assistance for nonprofit organizations.--As described in the House report, VA is urged to assess the possibility of assisting nonprofit organizations with capital costs related to the construction of new housing units for homeless veterans on non-VA property, particularly those utilizing Department of Housing and Urban Development- Veterans Affairs Supportive Housing (HUD-VASH) vouchers. Rural healthcare.--The conference agreement provides $270,000,000 for the Office of Rural Health (ORH) and the Rural Health Initiative, which is $20,000,000 above the President's request, and VA is encouraged to use some of these additional funds to increase the number of Rural Health Resource Centers as a means of increasing access to care for veterans in rural areas. In addition, VA is encouraged to expand evidence-based home-based primary care ***programs*** to additional American Indian reservations and other rural areas. Increased access also requires a sufficient number of healthcare providers and the conferees are concerned about the ability of VA to adequately recruit and retain sufficient numbers of these providers in rural areas. As such, VA is urged to adopt the recommendations in GAO report GAO-18-124 and encouraged to consider the expanded use of doctors of osteopathic medicine, physician assistants, and nurse practitioners to help address any rural health provider gap. Any such gap may be further mitigated through the use of telehealth for medical services. As indicated in the Senate report, the Secretary is directed to sustain continuity of care for rural veterans through provider agreements, based on previous models such as the Access Received Closer to Home ***program***, to ensure veterans do not experience a lapse in existing healthcare access during the transition to the new community care ***program*** and any resulting integrated networks. Also, as indicated in the Senate report, the conference agreement directs no less than $4,000,000 to continue a pilot ***program*** to train veterans in ***agricultural*** vocations, while also tending to behavioral and mental health needs with behavioral healthcare services and treatments from licensed providers at no fewer than three locations. To further support veterans in rural areas, the conferees urge the VA to increase accessibility in rural communities to the Community Clergy Training to Support Rural Veterans Mental Health Initiative. The Department is also encouraged to improve partnerships with local faith-based organizations, as well as the Department of Defense, in conjunction with the ``Strong Bonds'' ***program***. Telemedicine.--The conference agreement includes $30,000,000 above the budget request for telehealth capabilities and this additional funding should be used to further expand telehealth capacity and services in rural and remote areas. To better assess VA's efforts regarding the use of telehealth capabilities, the conferees direct VA to provide a report to the Committees on Appropriations of both Houses of Congress, no later than January 31, 2019, specifying measures the Department is taking to expand telehealth and telemental health capabilities in rural areas, particularly regions with limited broadband access. The report should also include information on any ongoing collaboration between VA and other Federal agencies to target remote and rural areas to maximize coverage. Readjustment counseling service.--In Public Law 115-141, the Consolidated Appropriations Act of 2018, the Department was provided $2,500,000 and directed to develop a ***program*** to partner with organizations that provide outdoor experiences for veterans as part of a continuum of care to treat combat- related injuries. The conferees direct the Department to provide an update on the status of this ***program*** to the Committees on Appropriations of both Houses of Congress no later than 30 days after enactment of this Act. Utilization of healthcare services by veterans in the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Freely Associated States.--As described in the Senate report, VA is directed to provide to the Committees on Appropriations of both Houses of Congress a strategic plan to implement and improve the utilization of healthcare services for veterans in outlying areas through piloting the expansion of health services via telehealth or other community care providers. Women's health.--The conferees note that the number of female veterans continues to increase. In response to this growth the conference agreement provides $521,352,000, $10,000,000 above the request, for gender-specific care and for the continuing redesign of VA's women's healthcare delivery system and facilities to ensure women receive equitable, timely, and high-quality care. This includes privacy and environment of care issues for female veterans as highlighted in a 2016 GAO report. As described in the Senate report, VA is directed to submit a report on retrofitting facilities to eliminate barriers to care for women veterans to the Committees on Appropriations and the Committees on Veterans' Affairs of both Houses of Congress within 180 days of enactment of this Act. The conferees also continue to urge VA to ensure the gender-specific health needs of female veterans are met and continue its efforts to expand access to care for female veterans in areas such as obstetrics and gynecological care, treatment for gender-specific conditions and diseases, and female veteran suicide. The conferees strongly believe that in order to ensure that female veterans needs are met VA must make the hiring of more female healthcare professionals a top priority. Therefore, the conferees reiterate the guidance provided in House Report 115-673 directing VA to provide statistics on female healthcare professionals at the Department. Intimate partner violence ***program***.--As described in the Senate report, VA is directed to fully resource the VA Intimate Partner Violence ***Program*** at $17,000,000 in fiscal ***year*** 2019 and include it as a ***program*** of interest with budget detail in the justifications accompanying the fiscal ***year*** 2020 budget submission. Breast cancer screening guidelines.--The conferees support the Department's effort to ensure that the breast cancer screening guidelines are consistent with the private sector, and the Committees will continue to monitor the Department's implementation of its policy to offer mammograms to female veterans starting at age 40. The Department should closely follow ongoing debate as the scientific community reaches a consensus on breast cancer screening and mammography coverage to provide veterans the best care possible. The bill language that was included in the House bill stands to ensure VA maintains this policy through fiscal ***year*** 2024. Rare cancers.--The conferees direct VA to assess options for modifying the December 2017 collaboration agreement between VA, the Department of Defense, and the National Cancer Institute to include collaboration on rare cancers. The conferees also encourage VA to fund research in delivering treatments for rare cancers that take a platform- agnostic approach to developing new therapeutics. Colorectal cancer screening.--The conferees are dismayed by VA's failure to comply with the direction in the fiscal ***year*** 2018 Joint Explanatory Statement to offer all seven colorectal cancer screening strategies recommended as A-rated modalities by the United States Preventive Services Task Force (USPTF) and adopted by the National Committee for Quality Assurance Healthcare Effectiveness Data and Information Set measures. While VA endorsed six screening strategies, it declined to endorse stool DNA screening, a widely used screening strategy. This makes VA an outlier within the medical community and the growth in community care will widen the gap between the screening tools used by VA and non-VA providers. To ensure the inclusion of this critical tool in the fight against cancer in veterans, the conferees direct VA to endorse all seven modalities for colorectal cancer screening. Home dialysis.--Approximately 20,000 veterans with End Stage Renal Disease (ESRD) receive their dialysis care from a VA Center, either directly or via contract with a dialysis provider. The Committee directs that the VA provide a report on how many patients receive home dialysis via peritoneal dialysis and home hemodialysis, if the number of patients has increased over the past 5 ***years***, and if the VA has set any use increase targets for home dialysis use among its ESRD patients. National Intrepid Center of Excellence Satellite Strategic Basing.--As described in the Senate report, VA is directed to study the value and merit to establishing a joint Department of Defense/Department of Veteran Affairs National Intrepid Center of Excellence Intrepid Spirit Center that serves both the active duty and veteran populations for the mutual benefit and growth in treatment and care for traumatic brain injury. The study will be reported to the Committees on Appropriations of both Houses of Congress no later than 180 days after enactment of this Act. Long-term care.--The conference agreement provides $9,024,330,000 as requested for long-term care, of which $6,168,524,000 is for institutional care and $2,855,806,000 is for non-institutional care. Caregivers ***program***.--The conferees believe that VA will incur obligations for the caregivers ***program*** totaling at least $865,000,000 in fiscal ***year*** 2019. Costs could be higher than this level depending on the implementation of new requirements in recently passed legislation. VA is directed to provide quarterly projections and monthly expenditure reports for the caregivers ***program*** to the Committees. If VA does not obligate this amount of funding for caregivers based on quarterly projections, the Department is directed to report the rationale for the discrepancy to the Committees. No later than 90 days after the date of enactment of this Act, the Department is instructed to provide a report on the number of coordinators of caregiver support services at each VA medical center, the number of staff assigned to appeals for the ***program*** at each medical center, and a determination by the Secretary of the appropriate staff-to-participant ratio for the ***program***. Hospice care for veterans.--As noted in the House and Senate reports, the conferees view [[Page H8084]] the implementation of hospice care protocols tailored to the unique end-of-life care needs of combat veterans as potentially beneficial for Vietnam-era veterans, as well as for Afghanistan, Iraq, and Syria veterans in the future. Therefore, the conference agreement includes $1,000,000 for the implementation of a pilot ***program*** to develop the techniques, best practices and support mechanisms to serve these veterans. As part of this pilot ***program***, VA is encouraged to engage non-profit hospice and palliative care providers with Vietnam veteran-centric ***programs***. The conferees also direct VA to provide the Committees on Appropriations of both Houses of Congress a report, not later than 180 days after enactment of this Act, on the status of the pilot ***program***. Nursing home quality ratings.--To ensure transparency and accountability for veterans and their families in regard to nursing home care, the conferees direct VA to publish annually the quality of care rating assigned by the Department to each of its nursing homes and contracted community nursing homes. Call routing.--The conferees are concerned by reports that veterans calling their community-based outpatient clinics (CBOC) to make an appointment are sometimes automatically routed to central call centers at VA medical centers with no follow-up by the CBOCs after the initial call. As a result, veterans may feel the need to physically visit the CBOC just to make an appointment. This is an unreasonable burden and may result in veterans not pursuing the care that they need. The conferees believe that our veterans deserve timely access to healthcare services and should be able to make their medical appointments via telephone. Therefore, the conferees urge the VA to ensure that VA phone systems allow veterans to call their local CBOC directly for appointments at those facilities rather than having their calls routed to a call center. The conferees further direct VA to provide to the Committees on Appropriations of both Houses of Congress a report, not later than 90 days after enactment of this Act, which explains the Department's guidance on call routing of the scheduling of appointments. Advanced practice registered nurses.--As stated in the House report, the Secretary is urged to work with facilities that have not yet implemented VA's final rule granting full practice authority to advanced practice registered nurses to ensure quick implementation. Physician assistants.--As stated in the Senate report, VA is directed to accelerate the rollout of competitive pay for physician assistants and develop a plan on how to better utilize the Health Professional Scholarship ***Program*** and Education Debt Reduction ***Program***. Proposed prosthetics services regulation.--The conferees support a veteran's right to obtain prosthetic and rehabilitative items as medical services from the best possible source and look forward to a rule that will not limit a veteran's choice. Historically Black Colleges and Universities medical research ***programs***.--As indicated in the House report, VA is directed to take concrete steps to improve its ongoing commitment to, and partnership with, minority health professions schools. Hispanic-Serving Institution (HSI) affiliations with VA healthcare facilities.--As noted in the House report, the Secretary is urged to develop a plan to expand local VA medical facilities' participation with HSI medical schools. The conferees direct the Department to provide a report on its efforts not later than 30 days after enactment of this Act. National Veterans Sports ***Program***.--The conference agreement provides $23,825,000 for the National Veterans Sports ***Program***, with $2,000,000 designated for veterans monthly assistance allowances; $15,000,000 for the Adaptive Sports Grants ***Program*** (ASGP); and $6,825,000 for the support of national veterans sports and special events ***programs*** like the Paralympics. The funding for the ASGP is an increase of $6,000,000 over the fiscal ***year*** 2018 level and $7,000,000 over the request. Given the promising results reported using equine therapy for veterans with posttraumatic stress disorder, $1,500,000 within the ASGP total is provided for equine therapy, an increase of $500,000 over the fiscal ***year*** 2018 level. As stated in Senate Report 115-269 the conferees request that the Department provide a feasibility assessment for the cost of expanding the grant ***program*** to include recreational and lifelong sports, such as open ocean swimming, surfing, outrigger canoeing, hunting, and fishing, as well as any legal barriers to expansion. Burn pits.--The conference agreement provides $5,000,000 for Veterans Health Administration clinical proposals, developed in conjunction with research, focusing on post- deployment health for veterans exposed to airborne hazards and open burn pits. In addition, the Secretary is directed to provide an assessment of the process for informing veterans through VA and community care providers about the Airborne Hazards and Open Burn Pit Registry and their eligibility for registering. Burn Pits Center of Excellence.--The conferees are aware that VA currently runs an Airborne Hazards Center of Excellence (AHCE) at the War Related Illness and Injury Study Center. The AHCE was established in 2013 to provide an objective and comprehensive assessment of veterans' cardiopulmonary function, military and non-military exposures, and health-related symptoms for those with airborne hazard concerns. In addition, the AHCE conducts clinical and translational research and actively develops and delivers new educational content to healthcare providers, veterans and other stakeholders. In order to better prevent, diagnose, mitigate, and treat conditions related to exposure to burn pits, as well as to leverage expertise in airborne hazards, the conferees have provided an additional $5,000,000 for the Center to develop a concentration in burn pit study and research. Furthermore, to fully recognize the importance of this new mission and incorporate the expansion into the Center's overarching expertise in Airborne Hazards, the Department is directed to rename the Center to the Airborne Hazards and Burn Pits Center of Excellence. To the maximum extent practicable, the Department should collaborate with the Department of Defense, institutions of higher education, and other appropriate public and private entities (including international entities) to carry out responsibilities and activities of this Center of Excellence. Additionally, the conferees direct the Department to report back to the Committees on Appropriations no later than 120 days after enactment of this Act progress made in establishing this enhanced center of excellence. Headache Centers of Excellence.--In fiscal ***year*** 2018, VA was provided $10,000,000 in Public Law 115-141, the Consolidated Appropriations Act of 2018, for the establishment of Headache Centers of Excellence. The conferees direct the Department to provide an update on the status of these Centers to the Committees on Appropriations of both Houses of Congress no later than 30 days after enactment of this Act. MEDICAL COMMUNITY CARE The conference agreement provides $10,758,399,000 in advance fiscal ***year*** 2020 funding for Medical Community Care, with $2,000,000,000 available until September 30, 2021. The conference agreement provides an additional $1,000,000,000 above the fiscal ***year*** 2019 advance appropriation for the Medical Community Care account. This level is $500,000,000 more than was requested by the Administration and these funds are available for unanticipated costs in VA's traditional community care ***programs***, as well as for requirements resulting from the passage of the MISSION Act. As a result of the MISSION Act, the conferees note that as early as May 2019 the Choice ***program***, currently funded with direct spending, will be streamlined and consolidated with VA's traditional discretionary community care ***programs***. Although the administration indicated a significant portion of the costs were assumed in the President's Budget request, it has not provided a funding estimate for the consolidated ***program***. Ultimately, the timing of consolidation and any change in cost is dependent on the issuance of regulations that will outline the new ***program*** structure. As a result, the conferees direct the Department to provide monthly reports to the Committees identifying obligations for the Medical Community Care ***program*** against available appropriations, as well as anticipated funding needs based on the developing ***program*** structure. MEDICAL SUPPORT AND COMPLIANCE The conference agreement provides $7,239,156,000 in advance for fiscal ***year*** 2020 for Medical Support and Compliance and makes $100,000,000 of the advance funding available through fiscal ***year*** 2021. The bill also includes Sec. 236, which rescinds $211,000,000 of fiscal ***year*** 2019 funds previously appropriated for this account. MEDICAL FACILITIES The conference agreement provides $6,141,880,000 in advance for fiscal ***year*** 2020 for Medical Facilities, as well as $90,180,000 in fiscal ***year*** 2019 funding, which is in addition to the advance funding provided last ***year***. Of the advance funding, $250,000,000 is made available through fiscal ***year*** 2021. Facility expansion.--Given the current co-location of VA clinics on some military installations, such as at Tripler Army Medical Center in Hawaii and Joint Base Elmendorf in Alaska, and the likely benefits to VA of expanding this model to other military installations, VA is directed, as described in the House report, to complete a study on the potential benefits of placing VA clinics on military installations located in areas with high veteran populations and where nearby VA infrastructure is overburdened. MEDICAL AND PROSTHETIC RESEARCH The conference agreement provides $779,000,000 for Medical and Prosthetic Research, available until September 30, 2020 and includes a proviso making $27,000,000 of these funds available through fiscal ***year*** 2023. Bill language is included to ensure that the Secretary allocates adequate funding for prosthetic research specifically for female veterans and for toxic exposures. VA/Department of Energy computing collaboration.--Of the amount provided for Medical and Prosthetics Research, $27,000,000 is for VA's collaboration with the Department of Energy (DOE) via a long-term inter-agency agreement to leverage DOE's next generation artificial intelligence, big data, and high-performance computing technologies, as well as multi-modal diagnostics and data integration, in order to develop specific precision medicine applications. VA cancer moonshot contribution.--As indicated in the Senate report, the Department is directed to include skin cancer as a subject of its efforts to provide targeted cancer [[Page H8085]] treatments to veterans through genomic science. Center of Excellence for Research on Returning War Veterans.--The House report directed VA to provide a report based on initial concerns regarding the potential impact that moving the Posttraumatic-stress Residential Rehabilitation ***Program*** might have on the Waco Center of Excellence for Research on Returning War Veterans. Those concerns have been adequately addressed by information provided subsequently in an independent assessment, and a report from VA on this issue is no longer required. Public-private partnerships.--The conferees urge VA to expedite consideration of proposals for public-private partnerships to leverage co-location of VA and university biomedical scientists engaged in multidisciplinary research. NATIONAL CEMETERY ADMINISTRATION The conference agreement provides $315,836,000 for the National Cemetery Administration (NCA). Of the amount provided, not to exceed 10 percent is available until September 30, 2020. DEPARTMENTAL ADMINISTRATION GENERAL ADMINISTRATION (INCLUDING ***TRANSFER*** OF FUNDS) The conference agreement provides $355,897,000 for General Administration. Of the amount provided, not to exceed 10 percent is available for obligation until September 30, 2020. The conference agreement continues to include bill language permitting the ***transfer*** of funds from this account to General Operating Expenses, Veterans Benefits Administration. The conference agreement provides funding for General Administration in the amounts specified below: ------------------------------------------------------------------------ (in thousands of Office dollars) ------------------------------------------------------------------------ Office of the Secretary.............................. 15,079 Office of General Counsel............................ 99,675 Office of Management................................. 63,402 Office of Human Resources............................ 62,172 Office of Enterprise Integration..................... 27,967 Office of Ops, Security and Preparedness............. 22,547 Office of Public and Intergovernmental Affairs....... 12,663 Office of Congressional and Legislative Affairs...... 5,900 Office of Acquisition Logistics and Construction..... 46,492 ------------------------------------------------------------------------ The Secretary may alter these allocations if the Committees have been notified and written approval is provided. Additional budgetary information.--As described in the House report, VA is directed to include in its budget justification materials a table for each account that shows a five-***year*** funding history, for requested and enacted levels. Financial management system.--The conference agreement includes $10,800,000 in this account, in addition to amounts provided in the Information Technology Systems account, for the development of a new financial management system. While the conferees do not question the need for a new financial management system, VA's record of previous failures in developing such a system support the need for rigorous oversight of this ***program***. As part of this oversight, VA is directed to provide quarterly reports that include obligations, broken down by appropriated, franchise, and other accounts. These reports should also include the development of an integrated master schedule and dashboard, life cycle costs, staffing, and schedule. In addition, VA is directed to conduct end-user surveys in a timeframe and with a content identified by the conferees. Contractor accountability.--For contracts over $500,000,000 whenever the Secretary provides a Show Cause Notice to a contracted service provider that establishes that the contractor did not cure the conditions endangering performance under the subject contract within the time frame prescribed in the Cure Notice, which necessitates a termination for default, VA must submit to the Committees on Appropriations and the Committees on Veterans' Affairs of the Senate and the House of Representatives notification of issuance of each Show Cause Notice. At a minimum, the notification should include: (1) an explanation of the reasons for providing such notice; (2) a description of the effect of the contractor failure, including with respect to cost, schedule, and requirements; (3) a description of the actions taken by the Secretary to mitigate such failure (other than issuance of the cure notice); and, (4) a description of the actions taken by the contractor to address such failure. Prompt ***payments***.--The conferees are concerned that VA is not paying small businesses in a timely manner. Small business vendors depend on timely ***payments*** to pay for their services, pay their employees, and conduct business that they have agreed to perform for VA. Therefore, the conferees urge the Department to ensure that ***payments*** are made to small businesses promptly. Medical Care Collections Fund.--The conferees are aware that the Department continues to struggle with collections of third-party billings, which has impacted revenue in the Medical Care Collections Fund. The Department has indicated that it will take action by the end of fiscal ***year*** 2018 to address this long-standing problem. The conferees direct VA to report to the Committees on Appropriations of both Houses of Congress no later than 60 days after enactment of this Act on how the Department is complying with directives regarding third-party billing contained in Public Laws 114-113 and 115- 141. Debts incurred by individuals.--The Department is directed, within 180 days of enactment of this Act, to develop a means to track and monitor information on the age and amount of debts owed by individuals to the United States as a result of those individuals' participation in a VA-administered benefits ***program***; whether such debts are the result of delays in VA processing of changes to beneficiary status or other VA actions; and whether such debts are disputed by those individuals. Further, VA is directed to submit a report describing the plan no later than 90 days after it is developed. Inconsistencies in contracting policy after the Kingdomware decision.--In Public Law 115-96 VA was urged to issue additional guidance to provide a standard set of criteria for contracting officers to evaluate veteran-owned providers' capabilities and to take steps to ensure their implementation consistently across the VISNs, in alignment with the GAO's recommendations, especially about option ***years***. The conferees have learned that VA has still not issued guidance and again urge VA to provide additional guidance. BOARD OF VETERANS APPEALS The conference agreement provides $174,748,000 for the Board of Veterans Appeals, of which not to exceed 10 percent shall remain available until September 30, 2020. Appeals reform.--As VA has made progress in reducing the backlog of initial disability claims, there has been an increase in the number of appeals. Reforming the appeals process is critical in addressing this increase and requires the commitment of sufficient resources. As such, the Board of Veterans Appeals is urged, as described in the House report, to commit the necessary resources to reduce the backlog of appeals. INFORMATION TECHNOLOGY SYSTEMS (INCLUDING ***TRANSFER*** OF FUNDS) The conference agreement provides $4,103,000,000 for Information Technology (IT) Systems. The conference agreement identifies separately in bill language the funding available for pay and associated costs ($1,199,220,000); operations and maintenance ($2,523,209,000); and systems development ($380,571,000). The conference agreement makes not to exceed 3 percent of pay and associated costs funding available until the end of fiscal ***year*** 2020; not to exceed 5 percent of operations and maintenance funding available until the end of fiscal ***year*** 2020; and all IT systems development funding available until the end of fiscal ***year*** 2020. The conference agreement includes $32,013,000 in information technology funding for the Veterans Benefits Management System that processes disability claims; $9,505,000 for the Board of Veterans Appeals claims appeals modernization effort; $72,821,000 for development of a new VA financial management system; and $22,081,000 for replacement of the NCA burial operations support system. The conference agreement continues language permitting funding to be ***transferred*** among the three IT subaccounts, subject to approval from the Committees. The conference agreement continues language providing that funding may be ***transferred*** among development projects or to new projects subject to the Committees' approval. The conference agreement continues language indicating that no development project may be increased or decreased by more than $1,000,000 prior to receiving approval of the Committees or a period of 30 days has elapsed. The conference agreement provides funding for IT development for the projects and in the amounts specified in the following table: INFORMATION TECHNOLOGY DEVELOPMENT PROJECTS ($ in thousands of dollars) ------------------------------------------------------------------------ 1 Clinical Applications Amount ------------------------------------------------------------------------ A....................... Access and Billing...... 5,891 B....................... My HealtheVet........... 10,300 C....................... Health Data 13,000 Interoperability. D....................... Registries.............. 3,288 [[Page H8086]] Subtotal Clinical 32,479 Applications. ------------------------------------------------------------------------ 2 Health Management Platform ------------------------------------------------------------------------ A....................... Digital Health Platform. 15,682 B....................... Community Care.......... 25,303 C....................... Patient Record System... 14,300 D....................... Purchased Care.......... 9,076 E....................... Telehealth.............. 6,030 Subtotal Health 70,391 Management Platform. ------------------------------------------------------------------------ 3 Benefits Systems ------------------------------------------------------------------------ A....................... Benefits Appeals........ 2,500 B....................... Education Benefits...... 37,830 C....................... Veterans Customer 47,564 Experience. D....................... Veterans Benefits 10,000 Management. E....................... Benefits Systems........ 31,721 Subtotal Benefits 129,615 Systems. ------------------------------------------------------------------------ 4 Memorial Affairs ------------------------------------------------------------------------ A....................... Memorials Automation.... 18,800 Subtotal Memorial 18,800 Affairs. ------------------------------------------------------------------------ 5 Other IT Systems ------------------------------------------------------------------------ A....................... Human Resources......... 12,600 B....................... Financial and 65,971 Acquisition Management Modernization. Subtotal Other IT 78,571 Systems. ------------------------------------------------------------------------ 6 Cyber Security 17,000 ------------------------------------------------------------------------ 7 Information/ Infrastructure Management ------------------------------------------------------------------------ A....................... Data Integration and 33,715 Management. Subtotal Information/ 33,715 Infrastructure Management. ------------------------------------------------------------------------ 8 Total IT Development 380,571 ------------------------------------------------------------------------ This table is intended to serve as the Department's approved list of development projects; any requested changes are subject to reprogramming requirements. Cybersecurity implementation.--As stated in the House report, VA is urged to ensure that patient records being ***transferred*** from DOD to VA have the same level of security and data-level protections as provided by the Department of Defense. Appointment scheduling.--The conferees understand that the new electronic health record (EHR) contract includes an appointment scheduling system component that will be rolled out across the VA network in conjunction with the EHR system over a ten-***year*** time period. While supportive of the implementation of a single EHR that includes all elements, including appointment scheduling, the conferees are disturbed that some regions of the country will not benefit from the scheduling system for a decade. An improved scheduling system must be one of VA's top priorities to address the continuing problem of delayed appointments. The conferees urge VA to consider alternatives that would permit all regions of the country to receive the benefits of a modern scheduling system in advance of the nationwide EHR system roll-out. The conferees understand that VA may consider decoupling the scheduling system from the rest of the EHR implementation, permitting its nationwide implementation far sooner. If that alternative is not adopted, VA is encouraged to consider implementing the commercial off-the-shelf scheduling solutions it is currently piloting. If evaluations of these pilots indicate that they provide significant interim or long-term benefits, the conferees urge their expansion to additional geographic areas. The conferees direct VA to report within 90 days of enactment of this Act whether it has decided to separate the scheduling component within the EHR contract and implement it separately on a faster track. If the Department declines to take this action, the conferees direct the agency to notify the Committees within 150 days of enactment of this Act of its alternative plans to accelerate nationwide implementation of an improved scheduling system. VETERANS ELECTRONIC HEALTH RECORD The conference agreement provides $1,107,000,000 for activities related to the development and rollout of a new VA EHR, the associated contractual costs, and the salaries and expenses of employees hired under titles 5 and 38, United States Code. The funding amount is $100,000,000 below the request based on the Department's assertion that it could accommodate such a decrement with no adverse impact to ***program*** cost, schedule, or performance. Also, because this is a very substantial new effort and the timing of obligation of funding is uncertain, the conference agreement makes these funds available for three ***years***. Of the amount provided, not less than $412,000,000 is for improvement or establishment of infrastructure associated with the ***program***. Additionally, the conference agreement includes bill language requiring the approval of the Committees on Appropriations of both Houses of Congress before any funds may be used to deviate from the deployment schedules provided to those committees by VA. Given the potential resistance from some users in adopting a new electronic health record system, the conferees direct VA to focus sufficient resources and attention on the challenge of change management during deployment. The conferees further direct VA to: maintain clear and agreed- upon metrics and goals with the DOD in regard to electronic health record interoperability and establish clear timeframes for meeting those goals; update the VA/DOD Interagency ***Program*** Office guidance to reflect agreed-upon metrics and goals; and ensure clinician feedback is sought and considered as the EHR system is modernized. Quarterly reporting.--The conferees continue to direct GAO to perform quarterly performance reviews of the VA electronic health record deployment to keep the Committees on Appropriations of both Houses of Congress apprised of VA's progress. The conferees also continue to include bill language directing VA to provide quarterly updates on the status of the electronic health record ***program***. VA is directed to provide obligations, expenditures, and deployment implementation by facility. The conferees also continue to include bill language directing that these funds are available only to the Office of the Deputy Secretary. OFFICE OF INSPECTOR GENERAL The conference agreement provides $192,000,000 for the Office of Inspector General. Of the amount provided, not to exceed 10 percent is available for obligation until September 30, 2020. Community Living Centers (CLC).--The conferees direct the VA Office of Inspector General to conduct an inspection of VA CLCs and report on best practices from VA and/or private sector that would improve the performance of VA CLCs that perform poorly on VA's ranking system. Washington DC Veterans Affairs Medical Center.--The conferees urge the Inspector General to dedicate all necessary resources to provide rigorous oversight of the Washington, DC, Veterans Affairs Medical Center, [[Page H8087]] a facility that has been plagued with management problems. CONSTRUCTION, MAJOR PROJECTS The conference agreement provides $1,127,486,000 for Construction, Major Projects. The conference agreement makes this funding available for five ***years***, except that $480,000,000 is made available until expended of which $400,000,000 shall be available for seismic improvement projects and seismic ***program*** management activities, including for projects that would otherwise be funded by other VA accounts. The bill includes language that, notwithstanding title 38, seismic funding shall be available for the completion of both new and existing seismic projects. The conference agreement funds the following items as requested in the budget submission: CONSTRUCTION, MAJOR PROJECTS ------------------------------------------------------------------------ ($ in thousands Location and Description of dollars) ------------------------------------------------------------------------ Veterans Health Administration (VHA): St. Louis, MO: medical facility improvements and 34,400 cemetery expansion............................... Canandaigua, NY: construction and renovation..... 190,000 Dallas, TX: spinal cord injury facility.......... 135,686 North Chicago, IL: renovate building #4........... 6,000 Oklahoma City, OK: new surgical intensive care 10,800 unit............................................. Advance Planning and Design Fund: various 95,000 locations........................................ Asbestos: various locations...................... 15,000 Major Construction Staff: various locations...... 27,500 Hazardous Waste: various locations............... 26,200 Judgment Fund: various locations................. 25,000 Non-Dept. Fed. Entity Project Management Support. 38,700 Seismic Corrections: various locations........... 400,000 Total, VHA................................... 1,004,286 National Cemetery Administration (NCA): Ohio Western Reserve, OH: gravesite expansion.... 29,000 Great Lakes, MI: gravesite expansion............. 35,200 Cape Canaveral, FL: gravesite expansion.......... 38,000 Advance Planning and Design Fund................. 10,000 NCA Land Acquisition Fund........................ 5,000 Total, NCA................................... 117,200 General Admin.: Staff Offices Advance Planning Fund.............. 6,000 Total, Construction Major Projects........... 1,127,486 ------------------------------------------------------------------------ CONSTRUCTION, MINOR PROJECTS The conference agreement provides $649,514,000 for Construction, Minor Projects. The conference agreement makes this funding available for five ***years***. GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES The conference agreement provides $150,000,000 for Grants for Construction of State Extended Care Facilities, to remain available until expended. GRANTS FOR CONSTRUCTION OF VETERANS CEMETERIES The conference agreement provides $45,000,000 for Grants for Construction of Veterans Cemeteries, to remain available until expended. ADMINISTRATIVE PROVISIONS (Including ***Transfers*** and Rescissions of Funds) The conference agreement includes section 201 allowing for the ***transfer*** of funds among the three mandatory accounts. The conference agreement includes section 202 allowing for the ***transfer*** of funds among the four medical accounts. The conference agreement includes section 203 allowing salaries and expenses funds to be used for related authorized purposes. The conference agreement includes section 204 restricting the accounts that may be used for the acquisition of land or the construction of any new hospital or home. The conference agreement includes section 205 limiting the use of funds in the Medical Services account only for entitled beneficiaries unless reimbursement is made to the Department. The conference agreement includes section 206 allowing for the use of certain mandatory appropriations accounts for ***payment*** of prior ***year*** accrued obligations for those accounts. The conference agreement includes section 207 allowing the use of appropriations available in this title to pay prior ***year*** obligations. The conference agreement includes section 208 allowing the Department to use surplus earnings from the National Service Life Insurance Fund, the Veterans' Special Life Insurance Fund, and the United States Government Life Insurance Fund to administer these ***programs***. The conference agreement includes section 209 allowing the Department to cover the administrative expenses of enhanced- use leases and provides authority to obligate these reimbursements in the ***year*** in which the proceeds are received. The conference agreement includes section 210 limiting the amount of reimbursement the Office of Resolution Management, the Office of Employment Discrimination Complaint Adjudication, the Office of Accountability and Whistleblower Protection, and the Office of Diversity and Inclusion can charge other offices of the Department for services provided. The conference agreement includes section 211 requiring the Department to collect third-party payer information for persons treated for a non-service-connected disability. The conference agreement includes section 212 allowing for the use of enhanced-use leasing revenues for Construction, Major Projects and Construction, Minor Projects. The conference agreement includes section 213 outlining authorized uses for Medical Services funds. The conference agreement includes section 214 allowing for funds deposited into the Medical Care Collections Fund to be ***transferred*** to the Medical Services and Medical Community Care accounts. The conference agreement includes section 215 which allows Alaskan veterans to use medical facilities of the Indian Health Service or tribal organizations. The conference agreement includes section 216 permitting the ***transfer*** of funds from the Department of Veterans Affairs Capital Asset Fund to the Construction, Major Projects and Construction, Minor Projects accounts and makes those funds available until expended. The conference agreement includes section 217 requiring the Secretary to submit financial status quarterly reports for each of the Administrations in the Department. The specific data requested is similar to that requested in the fiscal ***year*** 2017 conference report. The conference agreement includes section 218 requiring the Department to notify and receive approval from the Committees of any proposed ***transfer*** of funding to or from the Information Technology Systems account and limits the aggregate annual increase in the account to no more than 10 percent of the funding appropriated to the account in this Act. The conference agreement includes section 219 providing up to $301,578,000 of fiscal ***year*** 2019 funds for ***transfer*** to the Joint DOD-VA Medical Facility Demonstration Fund. Additional funding may be ***transferred*** from these accounts upon written notification to the Committees. A proviso with similar authority in Public Law 115-141 is repealed by this section. The conference agreement includes section 220 which permits $307,609,000 of fiscal ***year*** 2020 medical care funding provided in advance to be ***transferred*** to the Joint DOD-VA Medical Facility Demonstration Fund. The conference agreement includes section 221 which authorizes ***transfers*** from the Medical Care Collections Fund to the Joint DOD-VA Medical Facility Demonstration Fund. The conference agreement includes section 222 which ***transfers*** at least $15,000,000 from VA medical accounts to the DOD-VA Health Care Sharing Incentive Fund. The conference agreement includes section 223 prohibiting funds available to the Department in this or any other Act from being used to replace the current system by which VISNs select and contract for diabetes monitoring supplies and equipment. The conference agreement includes section 224 requiring that the Department notify the Committees of bid savings in a major construction project of at least $5,000,000, or 5 percent, whichever is less, 14 days prior to the obligation of the bid savings and describe their anticipated use. [[Page H8088]] The conference agreement includes section 225 which prohibits VA from increasing the scope of work for a major construction project above the scope specified in the original budget request unless the Secretary receives approval from the Committees. The conference agreement includes section 226 requiring a quarterly report from each VBA regional office on pending disability claims, both initial and supplemental; error rates; the number of claims processing personnel; corrective actions taken; training ***programs***; and review team audit results. It also requires a quarterly report on the number of appeals pending at the Veterans Benefits Administration and the Board of Veterans Appeals. The conference agreement includes section 227 requiring VA to notify the Committees 15 days prior to any staff office relocations within VA of 25 or more full-time-equivalent staff. The conference agreement includes section 228 requiring the Secretary to report to the Committees each quarter about any single national outreach and awareness marketing campaign exceeding $2,000,000. The conference agreement includes section 229 permitting the ***transfer*** to the Medical Services account of fiscal ***year*** discretionary 2019 funds appropriated in this Act or available from advance fiscal ***year*** 2019 funds already appropriated, except for funds appropriated to General Operating Expenses, VBA, to address possible unmet, high priority needs in Medical Services. Such unanticipated demands may result from circumstances such as a greater than projected number of enrollees or higher intensity of use of benefits. Any such ***transfer*** requires the approval of the Committees. The conference agreement includes section 230 permitting the ***transfer*** of funding between the General Operating Expenses, Veterans Benefits Administration account and the Board of Veterans Appeals account if necessary to permit the hiring of staffing at the appropriate stage of the appeals process to address mounting claims appeals workload. Any such ***transfer*** requires the approval of the Committees. The conference agreement includes section 231 prohibiting the Secretary from reprogramming funds in excess of $7,000,000 among major construction projects or ***programs*** unless the reprogramming is approved by the Committees. The conference agreement includes section 232 mandating certain professional standards for the veterans crisis hotline and requiring a study to assess its effectiveness. The conference agreement includes section 233 restricting funds from being used to close certain medical facilities in the absence of a national realignment strategy. The conference agreement includes section 234 prohibiting the use of funds, from the period October 1, 2018 through January 1, 2024, in contravention of VHA's May 10, 2017 guidelines on breast cancer screening. The conference agreement includes section 235 allowing the use of Medical Services funding for assisted reproductive technology treatment and adoption reimbursement for veterans and their spouses if the veteran has a service- connected disability that results in being unable to procreate without such fertility treatment. The conference agreement includes section 236, which rescinds $211,000,000 of previously appropriated advance fiscal ***year*** 2019 funds from the Medical Support and Compliance account. The conference agreement includes section 237 prohibiting any funds from being used in a manner that is inconsistent with statutory limitations on outsourcing. The conference agreement includes section 238 pertaining to exceptions for Indian- or Native Hawaiian-owned businesses contracting with VA. The conference agreement includes section 239 directing the elimination over a series of ***years*** of the use of social security numbers in VA ***programs***. The conference agreement includes section 240 referencing the provision in the 2017 Appropriations Act pertaining to certification of marriage and family therapists. The conference agreement includes section 241, which prohibits funds from being used to ***transfer*** funding from the Filipino Veterans Equity Compensation Fund to any other VA account. The conference agreement includes section 242 permitting funding to be used in fiscal ***years*** 2019 and 2020 to carry out and expand the child care pilot ***program*** authorized by section 205 of Public Law 111-163. The conference agreement includes section 243 which includes a reference to a provision in the 2017 Appropriations Act identifying information which may be used to verify the status of coastwise merchant seamen who served during World War II for the purposes of eligibility for medals, ribbons, or other military decorations. The conference agreement includes section 244 permitting the Secretary to use appropriated funds to ensure particular ratios of veterans to full-time employment equivalents within any VA ***program*** of rehabilitation. The conference agreement includes section 245 prohibiting VA from using funds to enter into an agreement to resolve a dispute or claim with an individual that would restrict the individual from speaking to members of Congress or their staff on any topic, except those required to be kept secret in the interest of national defense or the conduct of foreign affairs. The conference agreement includes section 246 referencing language in the 2017 Appropriations Act requiring certain data to be included in budget justifications for major construction projects. The conference agreement includes section 247 prohibiting the use of canines in VA research unless: the scientific objectives of the study can only be met by using canines; the study has been directly approved by the Secretary; and the study is consistent with the revised VA canine research policy document released in December 2017. The conference agreement includes section 248 providing $2,000,000,000 to be available until expended for VA infrastructure needs, of which $800,000,000 is for Medical Facilities for non-recurring maintenance; $300,000,000 is for Major Construction; $150,000,000 is for Minor Construction; and $750,000,000 is for seismic improvement projects and seismic project management activities. This funding is not made available until VA provides and the Committees approve a detailed expenditure plan. The conference agreement includes section 249 prohibiting the use of funds to deny the Inspector General timely access to information, unless a provision of law expressly refers to the Inspector General and expressly limits such access. The conference agreement includes section 250 directing VA to submit a plan to reduce the chances that clinical mistakes by VA employees will result in adverse events that require institutional or clinical disclosures. The conference agreement includes section 251 prohibiting funding from being used in a manner that would increase wait times for veterans at medical facilities. The conference agreement includes section 252 prohibiting the use of funds in fiscal ***year*** 2019 to convert any ***program*** which received specific purpose funds in fiscal ***year*** 2018 to a general purpose-funded ***program*** without the approval of the Committees on Appropriations of both Houses of Congress at least 30 days prior to any such action. TITLE III RELATED AGENCIES American Battle Monuments Commission SALARIES AND EXPENSES The conference agreement includes $104,000,000 for Salaries and Expenses of the American Battle Monuments Commission (ABMC), an increase of $28,900,000 above the budget request to support the Commission's unfunded requirements for high priority projects. Not later than 30 days after the date of enactment of this Act, the Secretary shall submit to the Committees on Appropriations of both Houses of Congress a spend plan detailing the use of these funds. FOREIGN CURRENCY FLUCTUATIONS ACCOUNT The conference agreement includes such sums as necessary for the Foreign Currency Fluctuations Account. However, due to favorable exchange rates, no funds are expected to be required in fiscal ***year*** 2019. United States Court of Appeals for Veterans Claims SALARIES AND EXPENSES The conference agreement includes $34,955,000 for Salaries and Expenses for the United States Court of Appeals for Veterans Claims. Public Law 114-113 provided planning and design funds for a feasibility study that has yet to be completed. In addition, the Committees received a letter that GSA is moving to another direction for a courthouse and therefore the conference agreement does not include funding for a new courthouse, as requested at this time. Department of Defense--Civil CEMETERIAL EXPENSES, ARMY SALARIES AND EXPENSES The conference agreement includes $80,800,000 for Cemeterial Expenses, Army--Salaries and Expenses. Within that amount, up to $15,000,000 in funding is available until September 30, 2021. CONSTRUCTION The conference agreement provides $33,600,000 for planning and design and construction of Southern Expansion to remain available until expended. Arlington National Cemetery Southern Expansion.--The conference agreement provides $33,600,000 for all activities, including construction of the Southern Expansion. The conferees note that the project is expected to cost upwards of $350,000,000 has an estimated completion date of 2025, adds 37 acres of land, and will extend the cemetery's life into the 2050s. While the conferees strongly support extending the life of the cemetery, there are concerns that the proposed expansion lacks proper planning. For example the Committees were initially told that the Southern Expansion would cost $274,000,000 however, now it appears that estimate was vastly underestimated. Therefore, no later than 180 days after enactment of this Act the conferees direct the Army to provide a comprehensive plan that includes cost estimate and construction schedule. Furthermore, after this reporting requirement is met the Army shall provide quarterly updates until this project is completed. Armed Forces Retirement Home TRUST FUND The conference agreement includes a total of $64,300,000 for the Armed Forces Retirement Home (AFRH), as requested, but does not provide the funds in the manner requested. The agreement directs that $42,300,000 be derived from the Trust Fund and $22,000,000 be provided from the General Fund to support AFRH operations. [[Page H8089]] Trust Fund Solvency.--There continues to be a belief that both legislative and administrative actions are necessary to improve Trust Fund solvency, eliminate AFRH's reliance on the General Fund, and maintain the high-quality services provided to AFRH residents. While there is still concern about the path forward, DOD is directed to continue working with AFRH to take appropriate administrative action and to develop and submit proposed authorizing language that addresses the issue of Trust Fund solvency. ADMINISTRATIVE PROVISION The conference agreement includes section 301 allowing Arlington National Cemetery to deposit and use funds derived from concessions. TITLE IV OVERSEAS CONTINGENCY OPERATIONS Department of Defense The conference agreement includes title IV, Overseas Contingency Operations, for military construction projects related to the Global War on Terrorism and the European Deterrence/Reassurance Initiative. MILITARY CONSTRUCTION, ARMY The conference agreement includes $192,250,000 for ``Military Construction, Army'', for planning and design and construction in support of Overseas Contingency Operations and the European Deterrence/Reassurance Initiative. MILITARY CONSTRUCTION, NAVY AND MARINE CORPS The conference agreement includes $227,320,000 for ``Military Construction, Navy and Marine Corps'', for planning and design and construction in support of Overseas Contingency Operations and the European Deterrence/ Reassurance Initiative. MILITARY CONSTRUCTION, AIR FORCE The conference agreement includes $414,800,000 for ``Military Construction, Air Force'', for planning and design and construction in support of Overseas Contingency Operations and the European Deterrence/Reassurance Initiative. MILITARY CONSTRUCTION, DEFENSE-WIDE The conference agreement includes $87,050,000 for ``Military Construction, Defense-Wide'', for planning and design and construction in support of Overseas Contingency Operations and the European Deterrence/Reassurance Initiative. ADMINISTRATIVE PROVISIONS The conference agreement includes section 401 which provides the contingent emergency designation for the Overseas Contingency Operations accounts. The conference agreement includes section 402 which requires the Department of Defense to provide a future ***year*** defense ***program*** for European Deterrence/Reassurance Initiative to the congressional defense committees. [[Page H8090]] [GRAPHIC] [TIFF OMITTED] TH100918.088 [[Page H8091]] [GRAPHIC] [TIFF OMITTED] TH100918.089 [[Page H8092]] TITLE V GENERAL PROVISIONS The conference agreement includes section 501 prohibiting the obligation of funds in this Act beyond the current fiscal ***year*** unless expressly so provided. The conference agreement includes section 502 prohibiting the use of the funds in this Act for ***programs***, projects, or activities not in compliance with Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates. The conference agreement includes section 503 encouraging all Departments to expand their use of ``E-Commerce.'' The conference agreement includes section 504 specifying the congressional committees that are to receive all reports and notifications. The conference agreement includes section 505 prohibiting the ***transfer*** of funds to any instrumentality of the United States Government without authority from an appropriations Act. The conference agreement includes section 506 prohibiting the use of funds for a project or ***program*** named for a serving Member, Delegate, or Resident Commissioner of the United States House of Representatives. The conference agreement includes section 507 requiring all reports submitted to Congress to be posted on official web sites of the submitting agency. The conference agreement includes section 508 prohibiting the use of funds to establish or maintain a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, except for law enforcement investigation, prosecution, or adjudication activities. The conference agreement includes section 509 prohibiting the use of funds for the ***payment*** of first-class air travel by an employee of the executive branch. The conference agreement includes section 510 prohibiting the use of funds in this Act for any contract where the contractor has not complied with E-Verify requirements. The conference agreement includes section 511 prohibiting the use of funds in this Act by the Department of Defense or the Department of Veterans Affairs for the purchase or lease of a new vehicle except in accordance with Presidential Memorandum--Federal Fleet Performance, dated May 24, 2011. The conference agreement includes section 512 prohibiting the use of funds in this Act for the renovation, expansion, or construction of any facility in the continental United States for the purpose of housing any individual who has been detained at the United States Naval Station, Guantanamo Bay, Cuba. [[Page H8093]] [GRAPHIC] [TIFF OMITTED] TH100918.090 [[Page H8094]] [GRAPHIC] [TIFF OMITTED] TH100918.091 [[Page H8095]] [GRAPHIC] [TIFF OMITTED] TH100918.092 [[Page H8096]] [GRAPHIC] [TIFF OMITTED] TH100918.093 [[Page H8097]] [GRAPHIC] [TIFF OMITTED] TH100918.094 [[Page H8098]] [GRAPHIC] [TIFF OMITTED] TH100918.095 [[Page H8099]] [GRAPHIC] [TIFF OMITTED] TH100918.096 [[Page H8100]] [GRAPHIC] [TIFF OMITTED] TH100918.097 [[Page H8101]] [GRAPHIC] [TIFF OMITTED] TH100918.098 [[Page H8102]] [GRAPHIC] [TIFF OMITTED] TH100918.099 [[Page H8103]] [GRAPHIC] [TIFF OMITTED] TH100918.100 [[Page H8104]] [GRAPHIC] [TIFF OMITTED] TH100918.101 [[Page H8105]] [GRAPHIC] [TIFF OMITTED] TH100918.102 [[Page H8106]] Rodney P. Frelinghuysen, Michael K. Simpson, John R. Carter, Ken Calvert, Jeff Fortenberry, Charles F. Fleischmann, Jaime Herrera Beutler, Scott Taylor, Managers on the Part of the House. Richard C. Shelby, Lamar Alexander, John Boozman, Steve Daines, James Lankford, Patrick J. Leahy, Dianne Feinstein, Brian Schatz, Christopher Murphy, Managers on the Part of the Senate

**Load-Date:** November 5, 2018

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[***Brexit: Farmers paid to protect landscape as subsidies change***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T0J-35Y1-F03R-N03W-00000-00&context=1516831)

The Week UK

August 9, 2018 Thursday 8:46 AM EST

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**Length:** 399 words

**Byline:** Hinnah

**Body**

Aug 08, 2018( The Week UK: [*http://www.theweek.co.uk*](http://www.theweek.co.uk) Delivered by Newstex) EU scheme extended as Britain seeks alternative to land subsidies One-Minute Read[1] Thursday, August 9, 2018 - 9:40am The Government has taken the first step towards reforming farm subsidies in preparation for Brexit, ***transferring*** an environmental protection pilot ***programme*** from EU to UK management. See related Premier League ***transfer*** window: club-by-club done deals[2] ***Transfer*** window summer 2018: when is the deadline for Premier League deals?

[3] Environment Secretary Michael Gove has already signalled that the UK will move away from traditional subsidies based on farm size, which essentially reward ownership, towards a system which encourages stewardship of land for the 'public good'. The trial scheme is taking place in Norfolk, Suffolk and Yorkshire. In the south, farmers are being given grants to plant wild flower plots for bees and other pollinators, says the Eastern Daily Press[4], while in Wensleydale they are being rewarded for managing meadows. Known as ***Payment*** By Results, the trial is funded under the EU's Common ***Agricultural*** Policy - and had been due to come to an end in December this ***year***. Now Gove has announced 540,000 of UK funding to extend it for two ***years***. 'The ***Payment*** by Results pilot marks a shift in how we think about rewarding farmers for their work,' Gove said. 'This approach signals how we see the future of farm ***payments***, where farmers deliver public goods for the environment which we all enjoy.' He added: 'Under the CAP, agri-environment schemes have been overly bureaucratic and inflexible. This has impeded innovation for farmers who are passionate about the environment and want to see real change.' Takeour survey[5]for your chance to win 100 John Lewis vouchers UK News[6] Brexit[7] [ 1]: [*http://www.theweek.co.uk/one-minute-read*](http://www.theweek.co.uk/one-minute-read) [ 2]:   [*http://www.theweek.co.uk/premier-league/95613/premier-league-****transfer****-window-club-by-club-guide-done-deals*](http://www.theweek.co.uk/premier-league/95613/premier-league-transfer-window-club-by-club-guide-done-deals) [ 3]:   [*http://www.theweek.co.uk/premier-league/93672/premier-league-****transfer****-window-summer-2018-closing-date-efl-fifa*](http://www.theweek.co.uk/premier-league/93672/premier-league-transfer-window-summer-2018-closing-date-efl-fifa) [ 4]:   [*http://www.edp24.co.uk/business/farming/****payment****-by-results-defra-540-000-1-5634545*](http://www.edp24.co.uk/business/farming/payment-by-results-defra-540-000-1-5634545) [ 5]:   [*https://www.demographix.com/surveys/TWHI-SO67/PP7VBEXE/?source=1*](https://www.demographix.com/surveys/TWHI-SO67/PP7VBEXE/?source=1) [ 6]:   [*http://www.theweek.co.uk/uk-news*](http://www.theweek.co.uk/uk-news) [ 7]:   [*http://www.theweek.co.uk/brexit-0*](http://www.theweek.co.uk/brexit-0)

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[***From idea to money from European funds - EUTA aiding project preparation and finding partners***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SXS-N9H1-F12K-R4HX-00000-00&context=1516831)

Ekapija.com (English)

August 1, 2018 Wednesday

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**Length:** 1624 words

**Body**

The trainers of the European Training Academy (EUTA) in Belgrade have brought, in cooperation with their European partners, more than EUR 15 million to Serbia in the past ten ***years***. This network of experts in the field of EU funds uses its expertise to help organizations and individuals to enhance the quality of project proposals and increase the chance to receive funding, and they say in their interview for eKapija that their goal is to ***transfer*** practical knowledge and skills acquired during the preparation and carrying out of projects and not to only ***transfer*** information the clients can find themselves on the internet.- Our approach is such that the trainees master, in addition to the technique of preparing the project and finding a partner, the philosophy of preparing the project proposal which is universal and applicable to any donation ***program***, not just the EU funds. We therefore teach our trainees how to think and which strategy to implement in order to get money for the realization of their project ideas most efficiently and in line with their expertise and previous experience - explains Ratko Bojovic, Executive Director at EUTA.He says that the training is based primarily on the personal experience of the lecturers in preparing and managing EU projects and adds that these experts also have experience as official valuers of the European Commission. The training concept is based on a combination between theory, practical workshops and concrete, practical examples.

The training itself involves working on concrete contests, application forms and valuation criteria, and it is mostly focused on the biggest EU research and innovation ***program***, Horizon 2020, as this is the area in which they are most experienced.More than 4,500 participants from Serbia, the region and Europe have passed our training courses since 2010, and we also organize similar training in the main centers in the region: Belgrade, Zagreb, Ljubljana, Sarajevo, Banjaluka, but also in Brussels. The majority of our trainees have rated the quality of the training very highly - eKapija's interviewee points out with pride.In addition to client education, EUTA provides direct help in preparing and carrying out projects.- We provide aid in all phases of project realization, from preparing the contract, to organizing project activities, communicating with partners, to project administration, that is, preparing technical and financial reports. As a project partner, we contribute with our expertise to the successful running of the project, strengthening the influence, spreading information and increasing project visibility and securing project sustainability through training courses for partner organizations on the project - EUTA explains and adds that they prepare projects in the fields of technical sciences and healthcare, whereas the projects in which they act as a partner organization are mostly related to ***agriculture***. First IPARD contests in 2017Regarding the interest of companies and organization from Serbia in preparing project with which to apply for EU funds, Ratko Bojovic says that it is academic institutions, the public administration and the non-governmental sector that have had the most options for getting projects financed so far, and that the business sector has had more options for taking part in the projects as well in the past few ***years***. More precisely, new financial instruments have been created for the business sector, especially for innovative companies, both in the EU (Horizon 2020 SME Instrument) and in Serbia (Innovation Fund).- The interest in taking part in our project preparation training is in line with this - the majority of the participants come from the academic sector: faculties, universities, institutes, innovation centers, followed by state institutions and the business sector - Bojovic says and clarifies that the number of invitations for project propositions and their time of opening depend on the sources of finance.The biggest amounts within Europe are provided within the Horizon 2020 ***program*** (over EUR 75 billion in the 2014-2020 period), which provides the options for financing projects in each sector and for each type of organization. Currently, there are 120 contests open within this ***program***, which can be found at the Participant portal.- Furthermore, two contests for local self-government are open - Town Twinning and Network of Towns, from the Europe for Citizens ***program***. A larger number of contests within the biggest EU education ***program***, Erasmus Plus, are expected to open in August.Judging by the financing priorities within the Instrument for Pre-accession Assistance II (IPA II) for the 2014-2020 period, EUTA estimates that the main fields in which the money from this fund is to be invested are ecology, energy and ***agriculture***. If the Directorate for Agrarian ***Payments*** gets accredited this August, the first contests within the IPARD ***program*** can be expected by the end of 2017.Italian cooks in Serbian schoolsEUTA has taken part in the implementation of three EU projects as a partner. Two of these ***programs*** have already been realized - Tempus CaSa, in the field of education, where the Faculty of ***Agriculture*** in Belgrade acted as project coordinator, and the total budget of which amounted to EUR 895,225.13, and FP7 COMPETE, a research project in the field of ***agriculture***, with a budget of EUR 2.4 million.- We are currently taking part in the Strength2Food project in the field of food and ***agriculture***, financed within the EU ***program*** for research and innovation, Horizon 2020. The coordinator is the University of Newcastle upon Tyne, and the project is worth EUR 6.9 million, is taking place from 2016 till the end of February 2021 and brings together 30 partners from throughout the world. In Serbia, in addition to EUTA, the partners are the Ministry of Education, the Faculty of Economics in Belgrade, the Municipality of Arilje and the TopClass agency - Bojovic explains.The aim of the project prepared by the University of Newcastle and EUTA is to enhance the efficiency of the European system of food quality, the public procurement system and to strengthen the sustainability of food supply chains. - In Serbia, our project will help improve the quality of food for children in primary schools through direct cooperation with ***agricultural*** producers. On the one hand, we will help schools which prepare the food in their own kitchens to enhance their menus in order to serve meals with greater nutritional value and to work on preparing quality meals in cooperation with the chef and nutritionists from the Barilla Academy. We will provide schools with educational and promotional materials oriented towards children, parents, teachers and cooks, in order to set standards in nutrition - says eKapija's interviewee.EUTA will also work on improving the system of public procurement, so that schools would purchase the food of the best quality, and not the cheapest food. It will help school administrations to prepare the tender documentation, but also provide help to ***agricultural*** producers in order to provide food in necessary quantities and of adequate quality to schools and other local public institutions. Furthermore, it will provide them with help in organizing themselves into cooperatives in order to make joint offers to schools.- Our team contributes to a successful running of the project and secures its sustainability through partner training within the project. Furthermore, we use our expertise in rural development and cooperatives to bring the needs of schools in line with the offer of ***agricultural*** producers.EUTA has so far collected and analyzed the tender documentation for more than 350 primary schools within the project.New training ***programs*** from SeptemberStarting this September, EUTA plans to implement new training ***programs*** for preparing projects for the Erasmus Plus ***program***, focused specifically on the needs of the primary school system, as well as training for preparing Marie Sklodowska-Curie projects, meant for academic institutions and researchers.- Also, we will continue our training for preparing Horizon 2020 projects in Belgrade (October 6-14), Zagreb (September 21-22) and Ljubljana (October 10) and the training called EU Projects from A to Z at the Chamber of Commerce of Serbia (September 25-29), meant primarily for individuals looking to master skills in preparing IPA projects and tender documentation for the EU projects in line with the PRAG procedures. In early September, we will set up a new tool for seeking partners on our website, which will help our clients, training participants, but also other organizations to network and cooperate in EU projects with organizations from throughout the region - Ratko Bojovic announces.If the Directorate for Agrarian ***Payments*** receives accreditation in August, the first IPARD ***program*** contests will open by the end of 2017 and EUTA will provide help in preparing business plans and the necessary documentation for agriculturists and the food industry.- Finally, we are looking at new activities within the Strength2Food project, primarily the first visit of the Barilla Academy team to schools in Serbia in November, who will later work with school cooks on preparing the meals. Then there's the organization of a the Hybrid Forum at the Petnica Research Center, also in November, where those interested in enhancing the quality of food in primary schools - agriculturists, representatives of schools and public administration - will be brought together in order to agree on potential mechanism for improving the quality of school meals and for agriculturists to gain access to new local markets - Bojovic concludes his interview for eKapija.Marko Andrejic

**Load-Date:** July 31, 2018

**End of Document**



[***Over 110 million transactions were made using Mir cards in November 2017, while the number of issued Mir cards came at 28 million, said the payment system's representative. So, the average Mir card holder made four transactions using the card***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R62-8HR1-DYTJ-4471-00000-00&context=1516831)

Banking and Stock Exchange, Finance, Economics (Russia)

December 15, 2017 Friday

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**Section:** BANKING AND FINANCIAL SERVICES;; No. 242

**Length:** 755 words

**Body**

Reference: Anna Eremina "Cards Handled", Vedomosti, No.236, December 14, 2017, p.13

In October, there were only three transactions per one Mir card. If all ***payment*** systems are taken into account, an average of eight transactions per month are made using one card issued by Russian bank, according to data from the Bank of Russia as of September 30, 2017.

Visa and MasterCard do not announce the respective data.

The issue of cards of the Russian ***payment*** system Mir started in December 2015. The switch to Mir cards for public employees started in July 2017 and will be completed in a ***year*** as provided in the law. The transition period for pension-holders will last until 2020.

The most important thing for Mir is not the number of transactions per card, but the ratio of cash withdrawals: cards should be used to pay for purchases in retail outlets, says Alma Obaeva, Chairperson of the Board of Non-Profit Partnership "National ***Payment*** Council". Cash withdrawals accounted for around 50% of all Mir card transactions in the early part of this ***year*** and for less than 18% in August and September 2017, Vladimir Komlev, General Director of NSPC (the Mir operator), said in an interview with Kommersant. This is every fifth transaction by number, and in terms of turnover, cash withdrawals accounted for 64%, he said. According to the Bank of Russia data as of September 30, 2017, cash withdrawals from cards of all ***payment*** systems account for 44% of turnover. Mir representative did not provide cash withdrawal statistics for November.

Four transactions per card is very good for the young system, says an employee of the retail department of a large bank. Mir cards are not in favor with open-market customers, but many banks started to issue Mir cards to public-sector employees having other cards, he notes. Public-sector employees are a good audience, many of them have relatively high wages and often pay by cards, he said. In his opinion, the number of Mir card transactions will increase to the country average in the near-term.

In 9M 2017, the average amount spent on Mir cards of all categories decreased, but turnover increased, says Elena Bindusova, Director, ***Payment*** Systems Department, SMP-Bank. It means that customers use Mir cards as the primary means of ***payment*** more frequently, without ***transferring*** money to cards of other ***payment*** systems, she said.

The behavior of customers who started to use Mir cards instead of cards of international ***payment*** systems did not change, says Anna Stekolnikova, Director, Retail Business Department, SDM-Bank. The ratio between cash withdrawals and purchases remains nearly unchanged, and 4% of customers ***transfer*** money from Mir to other cards, she said.

VTB does not see "significant changes in the behavior of holders of national cards" who switched from cards of other systems, said the state bank's press service. At VTB, the Mir card functional and bonuses are identical to those offered for cards of international ***payment*** systems, said a spokesperson for VTB.

Alma Obaeva believes that for the Russians to pay by Mir cards more frequently, Mir needs a loyalty ***program*** designed for the mass consumer: today, for example, there are no food shops among Mir partners, but people buy food every day.

Mir announced the launch of the loyalty ***program*** in December 2016. This ***program*** is intended to make ***payments*** using the national card more attractive: the holder of the Mir card issued by a partner bank can register the card in the loyalty ***program*** and have 3-20% cashback. The option is available for purchases made in Mir partners indicated on the ***payment*** system website.

In early December, Mir announced that Mir cards may be connected to Samsung Pay. The service is available to customers of Bank Otkritie, Russian ***Agricultural*** Bank, Bank Center-Invest and Chelindbank.

Mir's revenue stood at RUB 145.9 million in 2016, income was RUB 46 million, according to the NSPC financial statements. In 2017, the ***payment*** system's revenue could increase due to the issue of cards: as of end-2016, banks issued only 2 million Mir cards. Back then, Mir derived the bulk of income from banks' ***payments*** for joining the system, not from transactions made by cardholders.

The National System of ***Payment*** Cards (NSPC) is 100% owned by the Bank of Russia. Expenses for its establishment came at RUB 4.3 billion. NSPC's primary income is processing of Russian transactions of international ***payment*** systems. This item of income, less expenses for the processing center maintenance, gave NSPC RUB 4.2 billion in 2016.

**Load-Date:** December 15, 2017

**End of Document**



[***Washington: Southern Meat Market Proprietor Indicted on Federal Food Stamp Fraud, Theft and Conspiracy Charges***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJ1-4S21-JDG9-Y386-00000-00&context=1516831)

Impact News Service

January 30, 2018 Tuesday

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**Length:** 311 words

**Body**

Washington: US Department of Justice has issued the following news releaase:    On January 11, 2018, a federal grand jury charged one defendant with defrauding the federal Supplemental Nutrition Assistant ***Program*** ('SNAP'), formerly known as the food stamp ***program***. United States Attorney D. Michael Dunavant announced the indictment today. According to the indictment, from at least January 2015 through April 2017, Guy Randal Stockard, 59, a/k/a/ 'Randy,' owned and operated Southern Meat Market, a small retail meat market in Memphis, Tennessee.

Southern Meat Market was authorized to accept federal SNAP benefits from customers as ***payment*** for eligible food items. Customers could access and redeem their benefits using Electronic Benefits ***Transfer*** ('EBT') cards. During that same period, Stockard allegedly used Southern Meat Market to conduct fraudulent SNAP benefit transactions with an estimated total value of at least $1.2 million. To carry out the fraud, Stockard bought customers’ SNAP benefits at a discount in exchange for cash. Stockard then redeemed those SNAP benefits at their full monetary face value. Stockard is charged with one count of conspiracy to commit SNAP benefit fraud and theft of government property, one count of SNAP benefit fraud, and one count of theft of government property. If convicted, the defendant faces a maximum of 20 ***years*** imprisonment, a $250,00 fine and 3 ***years*** supervised release. The United States is also seeking criminal forfeiture in this case. This case is being investigated by the United States Department of ***Agriculture*** - Office of the Inspector General and the United States Secret Service. Assistant U.S Attorney Murre Foster is prosecuting this case on the government’s behalf. The charges and allegations in this indictment are merely accusations, and the defendant is innocent unless and until proven guilty.

**Load-Date:** January 31, 2018

**End of Document**



[***FF commits to a (EURO)160m suckler subsidy scheme; Cash would come from RDP underspend or extra CAP funding, says McConalogue***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RRR-W6H1-JBVM-Y33R-00000-00&context=1516831)

Irish Independent

February 27, 2018 Tuesday

Edition 1, National Edition

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**Section:** FARMING;NEWS; Pg. 4

**Length:** 506 words

**Body**

A (EURO)200/HD suckler cow ***payment*** could be financed through an increased CAP package for Ireland or targeted national exchequer funding for the sector, Fianna Fáil has insisted.

The party's ***agriculture*** spokesman Charlie McConalogue said the party was committed to the ***payment***, which will cost over (EURO)160m per ***year***.

However, Fianna Fáil was accused of political opportunism by Fine Gael TDs who questioned how additional funds could be sourced for the suckler package.

A Fianna Fáil motion passed by the Dáil last week committed Ireland to the objective of a (EURO)200/hd ***payment*** for suckler cows.

In addition, it requires the Government to undertake a review of the spending in a number of Rural Development ***Programme*** (RDP) schemes.

While there is growing con-cern in Brussels regarding overall funding for CAP given the EU's tighter finances post-Brexit, Mr McConalogue said increased ***payments*** for Irish farmers could be justified The uncertainty and dislocation that Britain's departure from the EU will provoke, and the potential difficulties for the beef industry from the proposed Mercusor-EU trade deal, meant that increased CAP ***payments*** for Ireland were warranted, Mr McConalogue argued.

Mr McConalogue also called for any underspend identified in RDP schemes to be reallocated to the Beef Data and Genomics ***Programme*** (BGDP) to increase its ***payment*** to (EURO)200/ cow for the duration of the current CAP package.

The Fianna Fáil TD claimed that the level of underspend on GLAS over the full term of the scheme to 2020 will be (EURO)400m. He said the BGDP and the Knowledge ***Transfer*** schemes would also come in significantly under budget.

He said any unspent monies should be targeted at suckler farmers.

However, ***Agriculture*** Minister Michael Creed insisted there were no surplus funds available in the RDP beyond what has already been allocated.

Genetics He also stated a coupled ***payment*** for sucklers would damage the work already undertaken to improve the genetic merit of the herd.

Fine Gael chair of the ***Agriculture*** Committee Pat Deering said it was clear that Fianna Fail was "intent" on using funds already committed to farmers in GLAS and TAMS to fund a (EURO)200 suckler cow scheme.

"Fianna Fáil have some neck promising monies already committed to farmers and yet to be spent under these existing ***programmes***.

"It's a classic case of smoke and mirrors and farmers won't be fooled," he claimed.

Mr McConalogue claimed the beef cow ***payment*** was necessary to protect the income of suckler farmers.

"These farmers feel particularly exposed as they are solely dependent on CAP direct ***payments***, with average incomes falling below (EURO)13,000 according to the latest information from Teagasc," he added.

However, the logic of increased suckler cow ***payments*** has been questioned by leading economic commentators.

Professor Alan Matthews of Trinity said committing further public funds to a sector which is "already heavily supported by the national exchequer and the EU through CAP direct ***payments***" would not be "a wise use of national resources".

**Load-Date:** February 27, 2018

**End of Document**



[***FARMING PHIL TO PLOUGH AHEAD; @LCreighton Lucinda Creighton***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R5H-X8N1-DY9P-N17R-00000-00&context=1516831)

The Sun (England)

December 13, 2017 Wednesday

Edition 1, Ireland

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**Section:** NEWS; OPINION; COLUMNS; Pg. 13

**Length:** 266 words

**Byline:** Lucinda Creighton

**Body**

THE reform of the EU's Common ***Agricultural*** Policy isn't normally of much interest to anybody other than active farmers, but the recent announcements by Phil Hogan of his plans to change the funding of European ***agriculture*** could generate much debate.

Hogan is now the EU Commissioner for farming and is responsible for the plans to support ***agriculture*** in the ***years*** ahead.

Billions of euro are provided to secure European food supply and for all its problems the CAP has ensured that safe, plentiful and relatively cheap food is available all over the continent.

We sometimes can forget that a little over half a century ago food supplies were scarce. So in terms of its original aim the CAP ***programmes*** have really worked.

However, there have been problems, not least the dramatic reduction in the number of farming families and the fact that about 80 per cent of EU resources are ***transferred*** to only 20 per cent of farmers.

Commissioner Hogan is suggesting a limit on individual ***payments***, a greater ***transfer*** to small and medium-sized farmers and much stronger environmental requirements.

He also wants to give national governments more say in the implementation of the support schemes, which would be a long overdue reform.

If his plans come to pass, it may be possible to stop the dramatic fall in farming numbers and to keep greater populations in rural areas. The smaller towns and villages of Ireland and Europe would benefit just as much as the farming families so it will be interesting to see how both farming associations and rural organisations will engage in the reform debate in the ***year*** ahead.

**Load-Date:** December 13, 2017

**End of Document**



[***Washington: TEXT OF AMENDMENTS (Senate - June 21, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SMX-0DH1-JDG9-Y533-00000-00&context=1516831)

Impact News Service

June 23, 2018 Saturday

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**Length:** 8825 words

**Body**

Washington: The Library of Congress, The Government  of USA has issued the following house proceeding:

 SA 3049. Mr. UDALL submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the end of title I of division A, add the following: Sec. 106. Section 10501 of the Omnibus Public Land Management Act of 2009 (43 U.S.C 407) is amended-- (1) in subsection (b)(1), by striking ``For each of fiscal ***years*** 2020 through 2029'' and inserting ``For fiscal ***year*** 2020 and each fiscal ***year*** thereafter''; (2) in subsection (c)-- (A) in paragraph (1)(A), by striking ``for each of fiscal ***years*** 2020 through 2034'' and inserting ``for fiscal ***year*** 2020 and each fiscal ***year*** thereafter''; and (B) in paragraph (3)(C), by striking ``for any authorized use'' and all that follows through the period at the end and inserting ``for any use authorized under paragraph (2).''; and (3) by striking subsection (f). \_\_\_\_\_\_ SA 3050. Mr. McCONNELL (for Ms. Cortez Masto (for herself and Mr. Heller)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making [[Page S4346]] appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: At the end of title II of division C, add the following: Sec.

2\_\_. The Inspector General of the Department of Veterans Affairs shall conduct an investigation of all nursing homes of the Department of Veterans Affairs that had an overall one-star rating as within the two full ***calendar*** ***years*** prior to the ***year*** of enactment as determined by the rating system of the Department. \_\_\_\_\_\_ SA 3051. Mr. McCONNELL (for Mr. Boozman (for himself, Mr. Daines, and Mr. Tester)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: On page 85, line 18, insert ``: Provided further, That of the total amount appropriated, $2,383,000 shall remain available until expended for the Veterans History Project to continue digitization efforts of already collected materials, reach a greater number of veterans to record their stories, and promote public access to the Project'' before the period at the end. \_\_\_\_\_\_ SA 3052. Mr. CASSIDY (for himself, Mr. Jones, Mr. Daines, and Mrs. Gillibrand) submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the end of title II of division C, add the following: SEC. 2\_\_. PUBLICATION OF QUALITY RATING FOR NURSING HOMES OF THE DEPARTMENT OF VETERANS AFFAIRS AND INVESTIGATIONS OF LOW-PERFORMING NURSING HOMES. (a) Publication of Quality Rating for Nursing Homes.--Not later than 90 days after the date of the enactment of this Act, and not less frequently than annually thereafter, the Secretary of Veterans Affairs shall submit to Congress and the appropriate committees of Congress and publish in the Federal Register and on a publicly available Internet website of the Department of Veterans Affairs the rating assigned by the Department to each nursing home of the Department with respect to quality of care, including all internal metrics and criteria used in determining such rating. (b) Investigations of Low-performing Nursing Homes.-- (1) Initial investigation.--Not later than 30 days after the date of the enactment of this Act, the Head of the Office of the Medical Inspector of the Veterans Health Administration shall-- (A) conduct an investigation of all nursing homes of the Department of Veterans Affairs with an overall one-star rating (as determined by the rating system of the Department) according to the most recent review by the Department; and (B) submit to Congress and the appropriate committees of Congress a report on corrective actions taken by the Department with respect to nursing homes described in subparagraph (A), including any results that support those corrective actions. (2) Subsequent investigation.--If a nursing home described in paragraph (1)(A) has an overall one-star rating (as determined by the rating system of the Department) according to the first subsequent review by the Department after the review described in such paragraph, the Inspector General of the Department of Veterans Affairs shall, not later than 30 days after such subsequent review-- (A) conduct an investigation of that nursing home; and (B) submit to Congress and the appropriate committees of Congress a report that includes the findings of that investigation. (c) Appropriate Committees of Congress Defined.--In this section, the term ``appropriate committees of Congress'' means-- (1) the Committee on Appropriations and the Committee on Veterans' Affairs of the Senate; and (2) the Committee on Appropriations and the Committee on Veterans' Affairs of the House of Representatives. \_\_\_\_\_\_ SA 3053. Mr. McCONNELL (for Mr. Coons (for himself and Ms. Murkowski)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: On page 79, line 22, insert ``, and not more than $5,000 that shall be used by the Architect of the Capitol to work with contractors to eliminate or reduce the use of plastic straws in facilities of the legislative branch that are under the care of the Architect of the Capitol'' before ``; for''. \_\_\_\_\_\_ SA 3054. Mr. McCONNELL (for Mr. Perdue (for himself and Mr. Isakson)) proposed an amendment to amendment SA 2978 proposed by Mr. Thune (for himself, Mr. Durbin, Mr. Alexander, Ms. Klobuchar, Mr. Rounds, and Mr. Grassley) to the amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: On page 2, line 12, of the amendment, strike the period at the end and insert ``of which not less than $100,000,000 shall be used for projects relating to deep-draft navigation.''. \_\_\_\_\_\_ SA 3055. Mr. LEE submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: On page 2, after line 19, add the following: SEC. 4. REDUCTION IN APPROPRIATIONS. Notwithstanding any other provision of law, the total sums appropriated under divisions A, B, and C shall be reduced by 1 percent. \_\_\_\_\_\_ SA 3056. Mr. McCONNELL (for Mr. Heller (for himself and Mr. Tester)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: At the appropriate place in title II, insert the following: Sec. \_\_. None of the funds made available by this Act may be used by the Secretary of Veterans Affairs to ***transfer*** funds made available for the following ***programs***: (1) The Homeless Providers Grant and Per Diem ***program***. (2) The Domiciliary Care for Homeless Veterans ***program***. (3) The Supportive Services for Veteran Families ***program***. (4) The Department of Housing and Urban Development Department of Veterans Affairs Supported Housing (HUD-VASH) ***programs***. (5) The Health Care for Homeless Veterans ***program*** \_\_\_\_\_\_ SA 3057. Mr. McCONNELL (for Mr. Lee (for himself and Mr. Paul)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: On page 79, line 7, insert ``: Provided, that the Director shall use not less than $500,000 of the amount made available under this heading for (1) improving technical systems, processes, and models for the purpose of improving the transparency of estimates of budgetary effects to Members of Congress, employees of Members of Congress, and the public, and (2) to increase the availability of models, economic assumptions, and data for Members of Congress, employees of Members of Congress, and the public'' before the period. \_\_\_\_\_\_ SA 3058. Mrs. GILLIBRAND submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the end of title III of division A, add the following: Sec. 3\_\_\_\_. All high-level radioactive waste at the Western New York Service Center in West Valley, New York, from the project carried out under the West Valley Demonstration Project Act (42 U.S.C 2021a note; Public Law 96-368) shall be considered to have resulted from atomic energy defense activities-- (1) for purposes of section 8 of the Nuclear Waste Policy Act of 1982 (42 U.S.C 10107); but (2) not for purposes of-- (A) section 3(a)(3) of the Waste Isolation Pilot Plant Land Withdrawal Act (Public Law 102-579; 106 Stat. 4779); or (B) section 213 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Public Law 96-164; 93 Stat. 1265). \_\_\_\_\_\_ SA 3059. Mr. McCONNELL (for Ms. Murkowski (for herself, Mr. Manchin, Mr. Burr, Mr. Daines, Mr. Cassidy, and Mrs. Gillibrand)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy [[Page S4347]] and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: At the end of title III of division A, add the following: Sec. 305. (a) Section 5 of the Federal Power Act (16 U.S.C 798) is amended-- (1) in subsection (a), by striking ``three'' and inserting ``4''; and (2) in subsection (b)-- (A) by striking ``Commission may extend the period of a preliminary permit once for not more than 2 additional ***years*** beyond the 3 ***years***'' and inserting the following: ``Commission may-- ``(1) extend the period of a preliminary permit once for not more than 4 additional ***years*** beyond the 4 ***years***''; (B) by striking the period at the end and inserting ``; and''; and (C) by adding at the end the following: ``(2) after the end of an extension period granted under paragraph (1), issue an additional permit to the permittee if the Commission determines that there are extraordinary circumstances that warrant the issuance of the additional permit.''. (b) Section 13 of the Federal Power Act (16 U.S.C 806) is amended in the second sentence by striking ``once but not longer than two additional ***years***'' and inserting ``for not more than 8 additional ***years***,''. (c) Any obligation of a licensee or exemptee for the ***payment*** of annual charges under section 10(e) of the Federal Power Act (16 U.S.C 803(e)) for a project that has not commenced construction as of the date of enactment of this Act shall commence not earlier than the latest of-- (1) the date by which the licensee or exemptee is required to commence construction; or (2) the date of any extension of the deadline under paragraph (1). Sec. 306. Not later than 18 months after the date of enactment of this Act, the Secretary of the Interior, after consultation with the Secretary of ***Agriculture***, shall-- (1) survey the exterior boundaries of the tract of Federal land within the project boundary of the Swan Lake Hydroelectric Project (FERC No. 2911) as generally depicted and labeled ``Lost Creek'' on the map entitled ``Swan Lake Project Boundary--Lot 2'' and dated February 1, 2016; and (2) issue a patent to the State of Alaska for the tract described in paragraph (1) in accordance with-- (A) the survey authorized under paragraph (1); (B) section 6(a) of the Act of July 7, 1958 (commonly known as the ``Alaska Statehood Act'') (48 U.S.C note prec. 21; Public Law 85-508); and (C) section 24 of the Federal Power Act (16 U.S.C 818). Sec. 307. (a) In this section: (1) The term ``Commission'' means the Federal Energy Regulatory Commission. (2) The term ``Terror Lake Hydroelectric Project'' means the project identified in section 1325 of the Alaska National Interest Lands Conservation Act (16 U.S.C 3212), and which is the Commission project numbered 2743. (3) The term ``Upper Hidden Basin Diversion Expansion'' means the expansion of the Terror Lake Hydroelectric Project as generally described in exhibit E to the Upper Hidden Basin Grant Application dated July 2, 2014, and submitted to the Alaska Energy Authority Renewable Energy Fund Round VIII by Kodiak Electric Association, Inc. (b) The licensee for the Terror Lake Hydroelectric Project may occupy not more than 20 acres of Federal land to construct, operate, and maintain the Upper Hidden Basin Diversion Expansion without further authorization of the Secretary of the Interior or under the Alaska National Interest Lands Conservation Act (16 U.S.C 3101 et seq.). (c) The Upper Hidden Basin Diversion Expansion shall be subject to appropriate terms and conditions included in an amendment to a license issued by the Commission pursuant to the Federal Power Act (16 U.S.C 791a et seq.), including section 4(e) of that Act (16 U.S.C 797(e)), following an environmental review by the Commission under the National Environmental Policy Act of 1969 (42 U.S.C 4321 et seq.). Sec. 308. (a) In this section: (1) The term ``Commission'' means the Federal Energy Regulatory Commission. (2) The term ``license'' means the license for the Commission project numbered 11393. (3) The term ``licensee'' means the holder of the license. (b) On the request of the licensee, the Commission shall issue an order continuing the stay of the license. (c) On the request of the licensee, but not later than 10 ***years*** after the date of enactment of this Act, the Commission shall-- (1) issue an order lifting the stay of the license under subsection (b); and (2) make the effective date of the license the date on which the stay is lifted under paragraph (1). (d)(1) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Commission project numbered 11393, the Commission may, at the request of the licensee, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of, and the procedures of the Commission under, that section, extend the time period during which the licensee is required to commence the construction of the project for not more than 3 consecutive 2-***year*** periods from the date of the expiration of the extension originally issued by the Commission. (2)(A) If the period required for the commencement of construction of the project described in paragraph (1) has expired prior to the date of enactment of this Act, the Commission may reinstate the license effective as of the date of the expiration of the license. (B) If the Commission reinstates the license under subparagraph (A), the first extension authorized under paragraph (1) shall take effect on the date of that expiration. (e) Nothing in this section prioritizes, or creates any advantage or disadvantage to, Commission project numbered 11393 under Federal law, including the Federal Power Act (16 U.S.C 791a et seq.) or the Public Utility Regulatory Policies Act of 1978 (16 U.S.C 2601 et seq.), as compared to-- (1) any electric generating facility in existence on the date of enactment of this Act; or (2) any electric generating facility that may be examined, proposed, or developed during the period of any stay or extension of the license under this section. Sec. 309. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to Federal Energy Regulatory Commission project numbers 12756, 12757, and 12758, the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the applicable project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the procedures of the Commission under that section, extend the time period during which the licensee is required to commence the construction of the applicable project for up to 3 consecutive 2-***year*** periods from the date of the expiration of the extension originally issued by the Commission. (b) If the time period required for commencement of construction of a project described in subsection (a) has expired prior to the date of enactment of this Act-- (1) the Commission may reinstate the license for the applicable project effective as of the date of the expiration of the license; and (2) the first extension authorized under subsection (a) shall take effect on that expiration. Sec. 310. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 12478-003, the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of, and the procedures of the Commission under, that section, extend the time period during which the licensee is required to commence construction of the project for not more than 3 consecutive 2-***year*** periods from the date of the expiration of the extension originally issued by the Commission. (b)(1) If the period required for the commencement of construction of the project described in subsection (a) has expired prior to the date of enactment of this Act, the Commission may reinstate the license effective as of that date of expiration. (2) If the Commission reinstates the license under paragraph (1), the first extension authorized under subsection (a) shall take effect on the date of that expiration. Sec. 311. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 13287, the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the procedures of the Commission under that section, extend the time period during which the licensee is required to commence construction of the project for up to 4 consecutive 2-***year*** periods after the required date of the commencement of construction described in Article 301 of the license. (b)(1) If the period required for the commencement of construction of the project described in subsection (a) has expired prior to the date of enactment of this Act, the Commission may reinstate the license effective as of that date of expiration. (2) If the Commission reinstates the license under paragraph (1), the first extension authorized under subsection (a) shall take effect on the date of that expiration. Sec. 312. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 12642, the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the procedures of the Commission under that section, extend the time period during which the licensee is required to commence the construction of the project for up to 3 consecutive 2-***year*** periods from the date of the expiration of the extension originally issued by the Commission. [[Page S4348]] (b) If the period required for commencement of construction of the project described in subsection (a) has expired prior to the date of enactment of this Act-- (1) the Commission may reinstate the license effective as of the date of the expiration of the license; and (2) the first extension authorized under subsection (a) shall take effect on that expiration date. Sec. 313. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Federal Energy Regulatory Commission projects numbered 12737 and 12740, the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the applicable project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the procedures of the Commission under that section, extend the time period during which the licensee is required to commence the construction of the applicable project for up to 3 consecutive 2-***year*** periods from the date of the expiration of the extension originally issued by the Commission. (b) If the period required for commencement of construction of a project described in subsection (a) has expired prior to the date of enactment of this Act-- (1) the Commission may reinstate the license for the applicable project effective as of the date of the expiration of the license; and (2) the first extension authorized under subsection (a) shall take effect on that expiration. Sec. 314. (a) Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 12715 (referred to in this section as the ``project''), the Federal Energy Regulatory Commission (referred to in this section as the ``Commission'') may, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of, and the procedures of the Commission under, that section, extend the time period during which the licensee is required to commence the construction of the project for not more than 3 consecutive 2-***year*** periods that begin on the date of the expiration of the extension originally issued by the Commission. (b)(1) If the period required for the commencement of construction of the project has expired before the date of enactment of this Act, the Commission may reinstate the license effective as of the date of the expiration of the license. (2) If the Commission reinstates the license under paragraph (1), the first extension authorized under subsection (a) shall take effect on the date of that expiration. \_\_\_\_\_\_ SA 3060. Mr. BOOKER submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: On page 54, line 5, insert ``$10,300,000 shall be for activities related to the development of regulatory infrastructure for advanced nuclear technologies,'' after ``mission,''. \_\_\_\_\_\_ SA 3061. Mrs. GILLIBRAND (for herself, Ms. Baldwin, Mr. Johnson, and Mr. Schumer) submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the end of title I of division C, add the following: Sec. \_\_\_. (a) Report.--Not later than December 31, 2019, the Secretary of Air Force shall submit to the congressional defense committees a report setting forth the results of a review, conducted by the Secretary for purposes of the report, of the analytical model used for strategic basing of KC-46 aircraft. (b) Particular Element.--The report shall include such recommendations of the Secretary for the analytical model as the Secretary considers appropriate in order to ensure that the model addresses changes in refueling requirements associated with the conventional and nuclear missions of the Global Strike Command, and any other current or emerging missions of the Global Strike Command (including missions in support of counterterrorism activities), as a result of the 2018 National Defense Strategy and associated mobility capability requirements. (c) Rule of Construction.--The requirement for a report under this section may not be construed as limiting the ability of the Air Force to make any future adjustment to the analytical model used for strategic basing of KC-46 aircraft or to any of the criteria in the analytical model. \_\_\_\_\_\_ SA 3062. Mr. CRUZ submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: Beginning on page 7, strike line 6 and all that follows through page 22, line 23 and insert the following: $210,000,000, to remain available until September 30, 2020. formerly utilized sites remedial action ***program*** For expenses necessary to clean up contamination from sites in the United States resulting from work performed as part of the Nation's early atomic energy ***program***, $120,000,000, to remain available until expended. flood control and coastal emergencies For expenses necessary to prepare for flood, hurricane, and other natural disasters and support emergency operations, repairs, and other activities in response to such disasters as authorized by law, $35,000,000, to remain available until expended. expenses For expenses necessary for the supervision and general administration of the civil works ***program*** in the headquarters of the Corps of Engineers and the offices of the Division Engineers; and for costs of management and operation of the Humphreys Engineer Center Support Activity, the Institute for Water Resources, the United States Army Engineer Research and Development Center, and the United States Army Corps of Engineers Finance Center allocable to the civil works ***program***, $193,000,000, to remain available until September 30, 2020, of which not to exceed $5,000 may be used for official reception and representation purposes and only during the current fiscal ***year***: Provided, That no part of any other appropriation provided in this title shall be available to fund the civil works activities of the Office of the Chief of Engineers or the civil works executive direction and management activities of the division offices: Provided further, That any Flood Control and Coastal Emergencies appropriation may be used to fund the supervision and general administration of emergency operations, repairs, and other activities in response to any flood, hurricane, or other natural disaster. office of the assistant secretary of the army for civil works For the Office of the Assistant Secretary of the Army for Civil Works as authorized by 10 U.S.C 3016(b)(3), $5,000,000, to remain available until September 30, 2020: Provided, That not more than 75 percent of such amount may be obligated or expended until the Assistant Secretary submits to the Committees on Appropriations of both Houses of Congress a work plan that allocates at least 95 percent of the additional funding provided under each heading in this title, as designated under such heading in the report of the Committee on Appropriations accompanying this Act, to specific ***programs***, projects, or activities. GENERAL PROVISIONS--CORPS OF ENGINEERS--CIVIL (including ***transfer*** of funds) Sec. 101. (a) None of the funds provided in title I of this Act, or provided by previous appropriations Acts to the agencies or entities funded in title I of this Act that remain available for obligation or expenditure in fiscal ***year*** 2019, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates or initiates a new ***program***, project, or activity; (2) eliminates a ***program***, project, or activity; (3) increases funds or personnel for any ***program***, project, or activity for which funds have been denied or restricted by this Act, unless prior approval is received from the House and Senate Committees on Appropriations; (4) proposes to use funds directed for a specific activity for a different purpose, unless prior approval is received from the House and Senate Committees on Appropriations; (5) augments or reduces existing ***programs***, projects, or activities in excess of the amounts contained in paragraphs (6) through (10), unless prior approval is received from the House and Senate Committees on Appropriations; (6) Investigations.--For a base level over $100,000, reprogramming of 25 percent of the base amount up to a limit of $150,000 per project, study or activity is allowed: Provided, That for a base level less than $100,000, the reprogramming limit is $25,000: Provided further, That up to $25,000 may be reprogrammed into any continuing study or activity that did not receive an appropriation for existing obligations and concomitant administrative expenses; (7) Construction.--For a base level over $2,000,000, reprogramming of 15 percent of the base amount up to a limit of $3,000,000 per project, study or activity is allowed: Provided, That for a base level less than $2,000,000, the reprogramming limit is $300,000: Provided further, That up to $3,000,000 may be reprogrammed for settled contractor claims, changed conditions, or real estate deficiency judgments: Provided further, That up to $300,000 may be reprogrammed into any [[Page S4349]] continuing study or activity that did not receive an appropriation for existing obligations and concomitant administrative expenses; (8) Operation and maintenance.--Unlimited reprogramming authority is granted for the Corps to be able to respond to emergencies: Provided, That the Chief of Engineers shall notify the House and Senate Committees on Appropriations of these emergency actions as soon thereafter as practicable: Provided further, That for a base level over $1,000,000, reprogramming of 15 percent of the base amount up to a limit of $5,000,000 per project, study, or activity is allowed: Provided further, That for a base level less than $1,000,000, the reprogramming limit is $150,000: Provided further, That $150,000 may be reprogrammed into any continuing study or activity that did not receive an appropriation; (9) Mississippi river and tributaries.--The reprogramming guidelines in paragraphs (6), (7), and (8) shall apply to the Investigations, Construction, and Operation and Maintenance portions of the Mississippi River and Tributaries Account, respectively; and (10) Formerly utilized sites remedial action ***program***.-- Reprogramming of up to 15 percent of the base of the receiving project is permitted. (b) De Minimus Reprogrammings.--In no case should a reprogramming for less than $50,000 be submitted to the House and Senate Committees on Appropriations. (c) Continuing Authorities ***Program***.--Subsection (a)(1) shall not apply to any project or activity funded under the continuing authorities ***program***. (d) Not later than 60 days after the date of enactment of this Act, the Secretary shall submit a report to the House and Senate Committees on Appropriations to establish the baseline for application of reprogramming and ***transfer*** authorities for the current fiscal ***year*** which shall include: (1) A table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if applicable, and the fiscal ***year*** enacted level; and (2) A delineation in the table for each appropriation both by object class and ***program***, project and activity as detailed in the budget appendix for the respective appropriations; and (3) An identification of items of special congressional interest. (e) The Secretary shall allocate funds made available in this Act solely in accordance with the provisions of this Act and the report of the Committee on Appropriations accompanying this Act, including the determination and designation of new starts. (f) None of the funds made available in this title may be used to award or modify any contract that commits funds beyond the amounts appropriated for that ***program***, project, or activity that remain unobligated, except that such amounts may include any funds that have been made available through reprogramming pursuant to this section. Sec. 102. The Secretary of the Army may ***transfer*** to the Fish and Wildlife Service, and the Fish and Wildlife Service may accept and expend, up to $5,400,000 of funds provided in this title under the heading ``Operation and Maintenance'' to mitigate for fisheries lost due to Corps of Engineers projects. Sec. 103. None of the funds in this Act shall be used for an open lake placement alternative for dredged material, after evaluating the least costly, environmentally acceptable manner for the disposal or management of dredged material originating from Lake Erie or tributaries thereto, unless it is approved under a State water quality certification pursuant to section 401 of the Federal Water Pollution Control Act (33 U.S.C 1341): Provided, That until an open lake placement alternative for dredged material is approved under a State water quality certification, the Corps of Engineers shall continue upland placement of such dredged material consistent with the requirements of section 101 of the Water Resources Development Act of 1986 (33 U.S.C 2211). Sec. 104. None of the funds made available in this title may be used for any acquisition of buoy chain that is not consistent with 48 CFR 225.7007, subsections (a)(1) and (a)(2). Sec. 105. None of the funds made available by this Act may be used to require a permit for the discharge of dredged or fill material under the Federal Water Pollution Control Act (33 U.S.C 1251 et seq.) for the activities identified in subparagraphs (A) and (C) of section 404(f)(1) of the Act (33 U.S.C 1344(f)(1)(A), (C)). TITLE II DEPARTMENT OF THE INTERIOR Central Utah Project central utah project completion account For carrying out activities authorized by the Central Utah Project Completion Act, $15,000,000, to remain available until expended, of which $898,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission: Provided, That of the amount provided under this heading, $1,398,675 shall be available until September 30, 2020, for expenses necessary in carrying out related responsibilities of the Secretary of the Interior: Provided further, That for fiscal ***year*** 2019, of the amount made available to the Commission under this Act or any other Act, the Commission may use an amount not to exceed $1,500,000 for administrative expenses. Bureau of Reclamation The following appropriations shall be expended to execute authorized functions of the Bureau of Reclamation: water and related resources (including ***transfers*** of funds) For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, federally recognized Indian tribes, and others, $1,382,000,000, to remain available until expended, of which $67,693,000 shall be available for ***transfer*** to the Upper Colorado River Basin Fund and $5,551,000 shall be available for ***transfer*** to the Lower Colorado River Basin Development Fund; of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund: Provided, That such ***transfers*** may be increased or decreased within the overall appropriation under this heading: Provided further, That within available funds, $250,000 shall be for grants and financial assistance for educational activities: Provided further, That of the total appropriated, the amount for ***program*** activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C 6806 shall be derived from that Fund or account: Provided further, That funds contributed under 43 U.S.C 395 are available until expended for the purposes for which the funds were contributed: Provided further, That funds advanced under 43 U.S.C 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, That of the amounts provided herein, funds may be used for high- priority projects which shall be carried out by the Youth Conservation Corps, as authorized by 16 U.S.C 1706. central valley project restoration fund For carrying out the ***programs***, projects, plans, habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, $62,008,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), and 3405(f) of Public Law 102-575, to remain available until expended: Provided, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration ***payments*** authorized by section 3407(d) of Public Law 102-575: Provided further, That none of the funds made available under this heading may be used for the acquisition or leasing of water for in-stream purposes if the water is already committed to in-stream purposes by a court adopted decree or order. california bay-delta restoration (including ***transfers*** of funds) For carrying out activities authorized by the Water Supply, Reliability, and Environmental Improvement Act, consistent with plans to be approved by the Secretary of the Interior, $35,000,000, to remain available until expended, of which such amounts as may be necessary to carry out such activities may be ***transferred*** to appropriate accounts of other participating Federal agencies to carry out authorized purposes: Provided, That funds appropriated herein may be used for the Federal share of the costs of CALFED ***Program*** management: Provided further, That CALFED implementation shall be carried out in a balanced manner with clear performance measures demonstrating concurrent progress in achieving the goals and objectives of the ***Program***. policy and administration For expenses necessary for policy, administration, and related functions in the Office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until September 30, 2020, $61,000,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C 377: Provided, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses. administrative provision Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed five passenger motor vehicles, which are for replacement only. GENERAL PROVISIONS--DEPARTMENT OF THE INTERIOR Sec. 201. (a) None of the funds provided in title II of this Act for Water and Related Resources, or provided by previous or subsequent appropriations Acts to the agencies or entities funded in title II of this Act for Water and Related Resources that remain available for obligation or expenditure in fiscal ***year*** 2019, shall be available for obligation or expenditure through a reprogramming of funds that-- (1) initiates or creates a new ***program***, project, or activity; (2) eliminates a ***program***, project, or activity; (3) increases funds for any ***program***, project, or activity for which funds have been denied or restricted by this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; [[Page S4350]] (4) restarts or resumes any ***program***, project or activity for which funds are not provided in this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; (5) ***transfers*** funds in excess of the following limits, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate: (A) 15 percent for any ***program***, project or activity for which $2,000,000 or more is available at the beginning of the fiscal ***year***; or (B) $400,000 for any ***program***, project or activity for which less than $2,000,000 is available at the beginning of the fiscal ***year***; (6) ***transfers*** more than $500,000 from either the Facilities Operation, Maintenance, and Rehabilitation category or the Resources Management and Development category to any ***program***, project, or activity in the other category, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; or (7) ***transfers***, where necessary to discharge legal obligations of the Bureau of Reclamation, more than $5,000,000 to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate. (b) Subsection (a)(5) shall not apply to any ***transfer*** of funds within the Facilities Operation, Maintenance, and Rehabilitation category. (c) For purposes of this section, the term ***transfer*** means any movement of funds into or out of a ***program***, project, or activity. (d) The Bureau of Reclamation shall submit reports on a quarterly basis to the Committees on Appropriations of the House of Representatives and the Senate detailing all the funds reprogrammed between ***programs***, projects, activities, or categories of funding. The first quarterly report shall be submitted not later than 60 days after the date of enactment of this Act. Sec. 202. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters. (b) The costs of the Kesterson Reservoir Cleanup ***Program*** and the costs of the San Joaquin Valley Drainage ***Program*** shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the ``Cleanup ***Program***--Alternative Repayment Plan'' and the ``SJVDP--Alternative Repayment Plan'' described in the report entitled ``Repayment Report, Kesterson Reservoir Cleanup ***Program*** and San Joaquin Valley Drainage ***Program***, February 1995'', prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law. TITLE III DEPARTMENT OF ENERGY ENERGY ***PROGRAMS*** Energy Efficiency and Renewable Energy For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy efficiency and renewable energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $2,312,000,000, to remain available until expended: Pro- \_\_\_\_\_\_ SA 3063. Mr. SHELBY (for himself, Mr. Leahy, Mr. Blunt, Mr. Moran, Mr. Inhofe, Mr. Isakson, Mr. Tester, Mr. Schatz, Mr. Blumenthal, Mrs. Murray, and Mr. Sanders) submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place in division C, insert the following: SEC. \_\_. COMPLETE THE VA MISSION FUNDING. Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C 901(b)(2)) is amended by adding at the end the following: ``(G) Complete the va mission funding.--(i) If, for fiscal ***years*** 2019 through 2021, appropriations for discretionary accounts are enacted that Congress designates as being for VA MISSION funding in statute, the adjustment for a fiscal ***year*** shall be the total of such appropriations for the fiscal ***year*** in discretionary accounts designated as being for VA MISSION funding, but not to exceed the total of-- ``(I) for fiscal ***year*** 2019, $1,600,000,000; ``(II) for fiscal ***year*** 2020, $8,670,000,000; and ``(III) for fiscal ***year*** 2021, $9,500,000,000. ``(ii) For the purposes of this subparagraph, the term `VA MISSION funding' means activities funded by the following budget accounts-- ``(I) Veterans Health Administration, Medical Services (036-0160-0-1-703) ``(II) Veterans Health Administration, Medical Community Care (036-0140-0-1-703) ``(III) any budget account that is established in the Treasury of the United States to implement the VA MISSION Act of 2018 (Public Law 115-182).''. \_\_\_\_\_\_ SA 3064. Mr. KENNEDY submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: At the end of title I of division A, add the following: Sec. 1\_\_. (a) It is the sense of the Senate that in the case of the funds made available under the heading ``construction'' that are in excess of the budget request submitted to Congress by the President and are for the continuation of construction of projects that principally include improvements to rainfall drainage systems that address flood damages, the funds should be equally distributed among all eligible projects. (b) In this section, the term ``eligible project'' means a project-- (1) that principally includes improvements to rainfall drainage systems that address flood damages; and (2) for which construction has begun or can continue. \_\_\_\_\_\_ SA 3065. Mr. TOOMEY (for himself and Mr. Roberts) submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: On page 75, between lines 15 and 16, insert the following: sense of the senate regarding the joint committee on taxation Sec. 121. (a) Congress finds that-- (1) the Joint Committee on Taxation serves as a critical resource to Members of Congress on tax policy and legislation, providing expertise and technical knowledge on a nonpartisan basis; (2) the Joint Committee on Taxation and the Congressional Budget Office both provide revenue estimates of legislation, and thus compete for many of the same candidates; and (3) the professional staff of economists with a doctoral degree, attorneys, and accountants of the Joint Committee on Taxation should be recognized for their expertise and placed on a level playing field with the employees of the Congressional Budget Office. (b) It is the sense of the Senate that the Joint Committee on Taxation and the Congressional Budget Office should be treated the same for purposes of compensation and any other relevant matters pertaining to personnel and new employee recruitment. \_\_\_\_\_\_ SA 3066. Mr. McCONNELL (for Mr. Rubio (for himself and Mr. Nelson)) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: At the end of title I of division A, add the following: Sec. 1\_\_. (a) Congress finds that-- (1) the restoration of the Everglades, as described in the Comprehensive Everglades Restoration Plan authorized by title VI of the Water Resources Development Act of 2000 (Public Law 106-541; 114 Stat. 2680) (referred to in this section as the ``Plan''), is the most ambitious environmental restoration ***program*** in history; (2) the overarching objectives of the Plan are the restoration, preservation, and protection of the south Florida ecosystem, while providing for other water-related needs of the region, including water supply and flood protection; (3) the Plan should continue to be implemented as authorized-- (A) to ensure-- (i) the protection of water quality in the south Florida ecosystem; (ii) the reduction of the loss of fresh water from the south Florida ecosystem; and (iii) the improvement of the environment of the south Florida ecosystem; and (B) to achieve and maintain the benefits to the natural system and human environment described in the Plan; and [[Page S4351]] (4) the equal partnership between the Federal Government and the State of Florida remains essential to accomplishing the objectives of the Plan. (b) It is the sense of the Congress that-- (1) the discharge of excess water by the Corps of Engineers from Lake Okeechobee to the Caloosahatchee Estuary and the Indian River Lagoon represents a significant loss of fresh water from the South Florida ecosystem; (2) the diversion of those Lake Okeechobee discharges to Plan projects or features like the Everglades ***Agricultural*** Area Storage Reservoir, designed to store and treat water prior to release into the Central Everglades, is an essential source of fresh water for meeting the objectives of the Plan; and (3) the Plan authorizes a 50/50 Federal-State cost share for all aspects of congressionally authorized restoration projects, including water quality project features or components. \_\_\_\_\_\_ SA 3067. Mrs. FISCHER (for herself, Mr. McCain, Mr. Inhofe, Mr. Cotton, Mrs. Ernst, and Mr. Daines) submitted an amendment intended to be proposed to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; which was ordered to lie on the table; as follows: On page 32, line 4, strike ``$10,850,000,000'' and insert ``$11,017,078,000''. On page 33, line 20, strike ``$5,988,000,000'' and insert ``$5,820,922,000''. \_\_\_\_\_\_ SA 3068. Mr. McCONNELL (for Mr. Kennedy) proposed an amendment to amendment SA 2910 proposed by Mr. Shelby to the bill H.R 5895, making appropriations for energy and water development and related agencies for the fiscal ***year*** ending September 30, 2019, and for other purposes; as follows: At the end of title I of division A, add the following: Sec. 1\_\_. It is the sense of the Senate that-- (1) ongoing construction of projects that principally benefit urban areas, including rainfall drainage systems that address flood damages, should receive consideration for additional funding; (2) any additional funding described in paragraph (1) is in addition to the budget request submitted to Congress by the President; and (3) the projects described in paragraph (1) should not be excluded from consideration for being inconsistent with the policy of the administration.

**Load-Date:** June 25, 2018

**End of Document**



[***Inter-farm trading between tillage growers and livestock farms to be encouraged***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S46-8GC1-JBVM-Y3RP-00000-00&context=1516831)

Irish Independent

April 17, 2018 Tuesday

Edition 1, National Edition

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**Section:** FARMING;NEWS; Pg. 3

**Length:** 345 words

**Body**

MOVES are being made to encourage inter-farm trading of forage between tillage growers and livestock farmers ahead of next winter.

Thomas Curran, farm structures specialist in Teagasc, said advisors will assist the efforts of all ***agricultural*** merchants matching farmers for forage needs in the coming days.

He pointed out that the Teagasc Maize Guide contained an inter-farm trading template which can be used as a guide to base an agreement for the purchase of maize or other crops.

"Trust plays a huge part where farmers are working together. Where there is trust and a written agreement which is discussed and signed up to by both parties, these arrangements are successful," said Mr Curran.

"Sourcing maize close to the farm can be an issue, therefore farmers further apart may need to work together. "In these cases the parties involved may not know each other initially; therefore a leap of faith is necessary. This can be eased considerably where there is an intermediary to help facilitate the arrangement."

Farmers were first urged to complete a winter feed budget for the ***year*** ahead to identify the gaps.

Tom O'Dwyer, head of dairy knowledge ***transfer*** in Teagasc, said many farms now have extra livestock compared to other ***years***.

"Not only is extra cover needed for these animals, but a larger forage buffer is needed to cover potential adverse weather like this ***year***. It is better to plan and make arrangements for the supply of additional quality fodder sooner rather than later," he said.

It is understood that Dairygold, with Teagasc's assistance, will run a pilot ***programme*** this ***year*** that will examine all aspects of contract growing maize.

The Dairygold branch network will be utilised to weigh each load before delivery.

The crop will be analysed for dry matter and starch to ensure the grower is rewarded for producing a quality crop and the end user is charged a fair price for the maize.

Dairygold is also looking into utilising the co-op structure to help farmers in the pilot ***programme***, with a view to allay fears of non-***payment*** or non-delivery by both parties.

**Load-Date:** April 17, 2018

**End of Document**



[***-IMF Executive Board Completes Third Review Under the ECF Arrangement for the Islamic Republic of Afghanistan and Approves US$ 6.4 Million Disbursement***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SF0-S651-JD3Y-Y1DD-00000-00&context=1516831)

ENP Newswire

May 28, 2018 Monday

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**Length:** 944 words

**Body**

The authorities' ***program*** supported by the Extended Credit Facility arrangement remains on track, reflecting prudent macro-financial policies and sound reform implementation.

Going forward, continued strong ownership by the government is vital to the ***program***'s success.

The financial and technical support of donors remains critical in the challenging circumstances that Afghanistan faces.

On May 24, 2018, the Executive Board of the International Monetary Fund (IMF) completed the third review of the arrangement under the Extended Credit Facility (ECF) [1] for Afghanistan. The completion enables the release of SDR 4.5 million (about US$ 6.4 million), bringing total disbursements under the arrangement to SDR 18 million (about US$ 25.5 million). The Executive Board's decision was taken on a lapse-of-time basis. [2] The ECF arrangement for SDR 32.38 million was approved on July 20, 2016 (see Press Release No. 16/348).

In completing the review, the Executive Board also approved the authorities' request for modification of three performance criteria: on domestic revenues, net international reserves, and net credit to government reflecting updates to the macroeconomic framework.

***Program*** implementation through end-December 2017 was satisfactory, despite the challenging security situation and mounting political risks. All quantitative performance criteria and eight of the nine structural benchmarks were met. The end-April 2018 benchmark related to asset declarations by public officials was implemented with a short delay.

Violence remains significant in Afghanistan and political uncertainty has risen with coming parliamentary (October 2018) and presidential (April 2019) elections, thus undermining confidence and growth. In 2017, real GDP growth is estimated at 2.5 percent, roughly unchanged from 2016. For 2018, GDP growth is projected at 2.5 percent owing to the continued difficult security environment affecting private sector confidence and a relatively dry winter which mars ***agricultural*** prospects. Inflation is forecast at 5 percent on average in 2018, the same as in 2017.

The authorities' strong ownership remains critical to the success of the ***program***, especially in the context of continued security challenges and political uncertainty. Reforms in support of fiscal sustainability, institution building, anti-corruption efforts, and financial stability should continue. In this challenging environment, the sustained backing of donors, together with the reform commitment of the authorities, remains vital. The IMF is committed to helping the government as it builds a more vibrant and inclusive economy for all Afghans.

Table 1. Islamic Republic of Afghanistan: Selected Economic Indicators, 2015-19

(Quota: SDR 323.8 million)

(Population: approx. 34.7 million)

(Per capita GDP: approx. US$ 561; 2016)

(Main exports: opium, US$ 2.0 billion; carpets, US$ 92.8 million; 2015)

2015

2016

2017

2018

2019

Est.

Proj.

Output and prices 1/

(Annual percentage change, unless otherwise indicated)

Real GDP

1.3

2.4

2.5

2.5

3.0

Nominal GDP (in billions of Afghanis)

1,228

1,320

1,422

1,532

1,657

Nominal GDP (in billions of U.S. dollars)

20.1

19.5

20.9

21.7

22.9

Consumer prices (period average) 2/

0.7

4.4

5.0

5.0

5.0

Public finances (central government)

(In percent of GDP)

Domestic revenues and grants

24.5

26.1

24.5

23.1

25.0

Domestic revenues

10.0

10.7

11.8

11.2

11.4

On-budget grants (excl. donors' direct spending outside the budget)

14.6

15.4

12.6

11.9

13.6

Expenditures

25.9

26.0

25.1

23.6

24.5

Operating 3/

19.2

18.9

17.8

16.8

17.5

Development

6.8

7.1

7.3

6.8

7.0

Operating balance (excluding grants) 4/

9.2

8.2

6.0

5.5

6.1

Overall balance (including grants)

1.4

0.1

0.6

0.4

0.6

Public debt 4/ 5/

9.1

8.0

7.3

6.8

6.3

Monetary sector

(Annual percentage change, end of period, unless otherwise indicated)

Reserve money

2.3

11.8

10.2

10.7

7.2

Broad money

3.1

9.7

4.1

10.7

9.0

External sector 1/

(In percent of GDP, unless otherwise indicated)

Exports of goods (in millions of U.S. dollars)

580

619

665

748

842

Exports of goods (annual percentage change)

9.8

6.8

7.4

12.6

12.5

Imports of goods (in millions of U.S. dollars)

7,666

6,160

7,180

7,443

7,941

Imports of goods (annual percentage change)

17.4

19.6

16.5

3.7

6.7

Current account balance

Excluding official ***transfers***

30.1

31.2

35.3

34.9

35.3

Including official ***transfers***

7.5

7.1

1.6

0.6

0.2

Foreign direct investment

0.8

0.5

0.4

0.5

0.5

Total external debt 5/

6.8

6.3

6.3

6.3

6.3

Gross international reserves (in millions of U.S. dollars)

6,808

7,357

8,139

8,280

8,279

Import coverage of reserves 6/

10.9

10.2

10.8

10.2

9.8

Exchange rate (average, Afghanis per U.S. dollar)

61.2

67.9

68.1

...

...

Sources: Afghan authorities, United Nations Office on Drugs and Crime, WITS database, and IMF staff estimates and projections.

1/ Excluding the narcotics economy.

2/ Comprising mainly current spending.

3/ Defined as domestic revenues minus operating expenditures.

4/ Public sector only. Incorporates committed but not yet delivered debt relief. Debt relief recorded fully at time of commitment.

5/ Public debt includes promissory note issued by MoF to settle DAB's Kabul Bank exposure.

6/ In months of next ***year***'s import of goods and services.

[1] The ECF is a lending arrangement that provides sustained ***program*** engagement over the medium to long term in case of protracted balance of ***payments*** problems. Details on Islamic Republic of Afghanistan's arrangement are available at [*www.imf.org/external/country/AFG*](http://www.imf.org/external/country/AFG).

[2] The Executive Board takes decisions under its lapse-of-time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

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[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** May 28, 2018

**End of Document**



[***Money for agriculture must go to those who cultivate the land, MEPs insist***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TNJ-6GD1-DYXB-V35G-00000-00&context=1516831)

EurActiv.com

November 6, 2018 Tuesday

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**Length:** 600 words

**Byline:** Gergana Stancheva

**Highlight:** The ample funding provided by the EU's Common ***Agricultural*** Policy should be used by real farmers and not those who lease land for profit, said members of the European Parliament's Committee on ***Agriculture*** and Rural Development. EURACTIV's media partner Dnevnik reports.

**Body**

A delegation of committee members was on a three-day visit to Bulgaria. During the visit, they met producer organisations, representatives of various ***agricultural*** sectors, the non-governmental sector and other organizations.

Committee chairman Czeslaw Adam Siekierski (EPP, Poland) pointed out that land concentration is excessive, while he believes it is very important that the land is in the hands of producers who actually cultivate it.

**Changes in *agricultural* policy**

Under the CAP reform, no substantial changes to the targets are envisaged but there will be changes in the form in which these targets are implemented, he noted, adding that, for the EU, one of the objectives of the CAP reform is to fight climate change.

Member states outline their specific capacities to achieve European goals in strategic plans. One of the changes is that they will now come up with plans not only for the second pillar of the CAP [rural development policy] but also for the first, direct ***payments*** to farmers.

"We think the goals can be better achieved if we give the member states more opportunities," Siekierski said. In his words, a number of different options are foreseen, and the potential of the member states must be taken into account.

He stressed that the European Commission will receive each country's strategic plans and analyse them, but will not adopt decisions that may lead to distortion of competition.

Siekierski pointed out that only 6-7% of the total number of farmers are under 35 ***years*** old and one of the goals of the reforms is to combat that trend. Another goal is to stabilise farm incomes in the EU, as they are only 15% of the income of other professionals.

He noted that ***agricultural*** markets should also be stabilised because of the fluctuations in the weather conditions, which create losses for producers and market volatility, with strong fluctuations in prices.

There is also a problem with competition, Siekierski said, explaining that the EU exports ***agricultural*** products worth 30 billion euros and imports products worth 111 billion euros, which means there is a negative trade balance. In addition, the EU is importing ***agricultural*** products that do not meet its high food safety standards.

**Interest-free loans**

Bulgarian MEP Momchil Nekov (S&D) spoke of the need to have interest-free loans for producer organisations.

"Unfair trade practices in the food chain are another important topic," he said.

"If the profit from one product is 100 leva, the producer gets 20 leva, the processor 30 leva and the one who sells 50 leva. So the whole burden falls on the producer, who, despite being the most vulnerable, gets the least."

Nekov said that the proposal to cut the Rural Development ***Programme*** by 15% and ***transfer*** these funds to migration was inadmissible, pointing out that the ***programme*** actually helps to fight internal migration from villages to cities.

**Direct *payments***

Vladimir Urutchev (EPP) recalled that the CAP is the largest EU policy in financial terms. Over this ***programming*** period, more than (EURO)400 billion have been earmarked, more than a third of the total budget.

He noted that the largest single item of European money goes to direct ***payments*** and said that without such support, member states could be jeopardising food security. There is, however, the question of where this money goes, added the MEP.

The biggest part of direct ***payments*** goes to those who possess huge amounts of land, lease it and make an investment. European law does not prohibit that practice because freedom of capital movement is a fundamental freedom.

"We need to see how to limit it," Urutchev said.

**Load-Date:** November 6, 2018

**End of Document**



[***Register of Commission documents: NOTICE TO MEMBERS Petition No 0692/2017 by Dimitris Karabasis (Greek), on behalf of the Organic Growers’ Union of Laconia, on the problems that have arisen during implementation of the 2007-2013 and 2014-2020 Greek Rural Development Programmes Document date: 2018-08-22 PETI\_CM(2018)617978 Notices to members***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T6Y-SN01-JDG9-Y026-00000-00&context=1516831)

Impact News Service

September 8, 2018 Saturday

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**Length:** 2316 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

CM\1160373EN.docx PE617.978v03-00 EN United in diversity EN European Parliament 2014-2019 Committee on Petitions 30.7.2018 NOTICE TO MEMBERS Subject: Petition No 0692/2017 by Dimitris Karabasis (Greek), on behalf of the Organic Growers’ Union of Laconia, on the problems that have arisen during implementation of the 2007-2013 and 2014-2020 Greek Rural Development ***Programmes*** 1. Summary of petition The petitioner, who chairs the Organic Growers’ Union of Laconia, complains that for many ***years*** there have been severe delays in outstanding ***payments*** and approvals of applications. Specifically, there are outstanding claims concerning ***payments*** for the ***years*** 2013 and 2014, and hundreds of applications for treatment for the ***years*** 2012-2013, of which those that have been settled have not been paid, and the remainder have been frozen. For the ***years*** 2015 and 2016 the agri-environmental ***programmes*** remain unpaid throughout Greece. He also complains that the software and mapping system used by the competent ***payments*** authority (OPEKEPE) has been causing serious problems since 2013. It is preventing the correct evaluation of ***programmes*** and is leading to unequal and unfair treatment of beneficiaries as a result of the selective geospatial approach, selective eligibility, and the arbitrary fragmentation of land parcels. For the 2014-2020 ***Agricultural*** Development ***Programme*** in particular, he focuses on Measure 11, the study for which was approved by the European Commission.

There are many problems with the design and implementation of that measure, as well as in the announcement of aid and the conditions. He stresses that EU and national legislation is being constantly infringed, and that repeated complaints have been submitted to the Ministry of ***Agricultural*** Development in respect of all the above issues, as well as substantive proposals, but that the Ministry turns a deaf ear. He believes the situation has now come to a head, because, among other things, growers are not just being wronged, but they are not being paid, and they are unable to use their own money for the ***years*** ahead. As a result, organic cultivation and livestock farming in Greece is being destroyed, and EU and national resources are being wasted. He requests a response to his questions, the freezing and abolition of Measure 11, an administrative and financial check on the two ***programmes***, and a review of the competent ***payments*** body in Greece. PE617.978v03-00 2/5 CM\1160373EN.docx EN 2. Admissibility Declared admissible on 17 November 2017. Information requested from Commission under Rule 216(6). 3. Commission reply, received on 31 January 2018 The petitioner also sent a complaint to the Commission in July 2017 on the same issues. The complaint remains open as, after having received a letter from the Commission in November 2017 proposing to close his file, the complainant sent additional information. ***Payment*** delays As concerns the claim on delays in ***payments***, another petition on the same issue (No 0541/2015) was submitted to the European Parliament concerning the delays in ***payments*** to beneficiaries of the organic stockbreeding measure under the Greek Rural Development ***Programme*** (RDP). In this context it was stated that the EU legal framework for area-related support measures under rural development does not currently foresee ***payment*** deadlines. This will change from claim ***year*** 2019 as ***payments*** to beneficiaries for these support measures will have to be made within the period 1 December to 30 June1. Study based on unreliable data The claim that in the study determining the amounts of the aid on Measure 11 on the organic farming under the Greek RDP 2014-2020 is based on unreliable data is unfounded. On the methodology used, the independent body indicated in the report that an approach based on the data of the Farm accountancy data network did not provide reliable results because in many crops the number of holdings with organic production in the sample was small. However, data of that network were used to estimate conventional production as a benchmark for loss of income. Furthermore, it should be underlined that the Commission does not approve the studies determining the amounts of the agri-environmental aid on organic farming. The study in question is included in the Greek RDP in conformity with Article 62(2) of Regulation (EU) No 1305/2013 on support for rural development2 regarding the verifiability and controllability of measures. The Managing Authority and the Paying Agency of the RDP are the responsible national bodies for determining the amounts of premia for the relevant measure. Amount of the premia under the organic farming measure The petitioner claims that the amounts of the premia under the organic farming Measure cover the transaction costs by a level lower than that foreseen in the study at hand and that the study does not provide for the involvement of an agronomy consultant under the measure on organic farming. In that regard, it is worth recalling that the European ***Agricultural*** Fund for Rural Development is implemented in shared management between the Member States and 1 See Article 75(1) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the CAP (OJ L 347, 20.12.2013, p. 549), as amended by Regulation (EU) 2017/2393 of the European Parliament and of the Council of 13 December 2017 (OJ L 350, 29.12.2017, p.15). 2 OJ L 347, 20.12.2013, p. 487. CM\1160373EN.docx 3/5 PE617.978v03-00 EN the Union1. Therefore, the options chosen by the Managing Authority to compensate the beneficiaries with a lower level as regards the amounts on transaction costs and to not compensate the farmers for the additional costs of an agronomy consultant are issues which fall under its competence. Further grievances It is further alleged that the study sets out a commitment period of three ***years*** for new organic farmers, while Regulation (EC) No 834/2007 on organic farming explicitly states that commitments are to be made for a period of five to seven ***years***. In this regard, Regulation (EU) No 1305/2013 foresees in its Article 29(3) on organic farming that Member States may determine a shorter initial period corresponding to a period of conversion than that of period of five to seven ***years***. As concerns the claim that the combination of Measure 11 on organic farming with Measure 10 on agri-environment-climate does not comply with Article 28(8) of Regulation (EU) No 1305/2013, it has to be noted that Article 11 of Commission Implementing Regulation (EU) No 808/2014 provides explicitly for such combination of measures, provided that they are complementary and compatible. With regard to the claim that the criteria for inclusion of holdings under the organic farming Measure require that the parcels to be included have to be declared in the single application for ***payment*** of 2016, it should be stated that the provisions of the EU legislation relating to the integrated administration and control system provided for in Regulation (EU) No 1306/2013, apply2. In consequence, the criterion of the identification of the ***agricultural*** parcels under organic farming in accordance with their location and measurement, as it was declared by the farmers in their aid application in the first ***year*** of the commitments undertaken under this measure, is in conformity with the afore-mentioned EU legislation3. As concerns the inclusion of parcels under the organic farming measure in case they are situated in Natura 2000 areas, it has to be clarified that in the initial version of the Greek RDP 2014-2020 it was foreseen in the section on principles for selection criteria for organic ***agriculture*** actions that, in case the application of support exceeds the total budget of a call for applications, then holdings situated at least in partly protected areas (e.g Natura areas) or high nature value areas would be given priority. Moreover, with the 1st amendment of the Greek RDP approved on 28.06.2017 by Commission Decision C(2017)4571, the Greek authorities revised and reformulated the principles for selection criteria in order to include also young farmers as well as areas belonging to environmentally sensitive areas. The petitioner sent additional information on 19 January 2018 which is currently examined by the Commission services. 1 See Article 5, Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common ***agricultural*** policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (O.J L 347, 20.12.2013, p. 549). 2 See Article 67(2) of Regulation (EU) No 1306/2013. 3 See Article 5(1) of Commission delegated Regulation (EU) No 640/20143 which foresees that the identification system for ***agricultural*** parcels referred to in Article 70 of Regulation (EU) No 1306/2013 operates at reference parcel level. PE617.978v03-00 4/5 CM\1160373EN.docx EN Conclusion On the basis of the information put forward and examined by Commission services, the issues raised in the petition do not reveal a breach of EU law and fall under the competence of the relevant Member State. 4. Commission reply (REV.), received on 30 May 2018 First, the Commission services would like to stress that several of the allegations included in the additional information sent by the petitioner have already been treated in the initial Commission’s reply. This applies, among others, to the claim on the break-up of the land parcels. Also, with regard to the claim on delays in ***payments*** of the organic measure related to the OPEKEPE’s reply of 26.1.2018, this issue has been replied to in the above-mentioned communication. Furthermore, these questions have also been treated under petition 0541/2015 concerning the delays in ***payments*** to beneficiaries of the organic stock breeding measure under the Greek RDP. Secondly, as concerns the grievances on the application of administrative penalties by the national authorities to applicants of the organic measure resulting in their ***payments***’ rejection in the lists of ***payments*** for the ***years*** 2012 to 2015, it should be noted that these issues refer to allegations on the handling of specific administrative breaches by the OPEKEPE. As the European ***Agricultural*** Fund for Rural Development (EAFRD) is implemented in shared management between the Member States and the Commission, these questions fall therefore under the responsibility of the national authorities, in this case the OPEKEPE. Finally, in this context, the petitioner alleges that all obligations on organic farming of the Rural Development ***Programme*** (RDP) 2007-2013 were ***transferred*** as existing commitments to the new RDP 2014-2020 without the related contracts being amended in order to allow for their adjustment to the legal framework of the new ***programming*** period. It has to be stated that the Greek RDP 2014-2020 approved by Commission Decision1 foresees that ***payments*** concerning legal commitments on organic farming undertaken under the Greek RDP 2007-2013 continue to be eligible for the EAFRD contribution under the RDP 2014-2020, in conformity with the conditions provided for in Regulation (EU) No 1310/2013 laying down certain transitional provisions on support for rural development2. Furthermore, the Greek RDP 2014-2020 provides, in accordance with the Commission Regulation (EC) No 1974/20063, that the legal commitments on organic farming undertaken under the RDP 2007-2013 have been amended to allow for their adjustment to the legal framework of the 2014-2020 ***programming*** period, and that in case such adjustment is not accepted by the beneficiary, the commitment has expired. It should be noted in this regard that, according to the aforementioned Regulation, the adjustments in question relate only to 1 Commission Decision C (2015)9170 of 11.12.2015 2 OJ L 347, 20.12.2013, p.865, see Article 3. 3 Commission Regulation (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD) (OJ L 368, 23.12.2006, p.15), see Article 46 as amended by Commission Implementing Regulation (EU) No 679/2011 (OJ L185, 15.7.2011, p.57) . CM\1160373EN.docx 5/5 PE617.978v03-00 EN the amendments of the legal framework of the 2014-2020 ***programming*** period regarding the relevant mandatory standards, requirements and obligations beyond which the commitments on organic farming have to go. Thus, otherwise, the commitments at stake, ***transferred*** to the Greek RDP 2014-2020 as existing commitments, remained unchanged. Conclusion Based on the information available to the Commission services, the issues raised in the petition do not reveal a breach of EU law and fall under the competence of the Member State concerned. Moreover, it is worth pointing out that in the Commission’s reply letter of November 2017 to the complaint the petitioner sent on the same issues, the Commission services indicated that the issues he raised would be analysed in the context of the control of the correct implementation of the Greek RDP. It was noted that such findings would be taken into due consideration when the relevant Audit service of the Directorate-General for ***Agriculture*** and Rural Development assesses the risk of failure to correctly implement the RD ***Programmes*** with a view to next audit exercises that this service may carry out in the future. 5. Commission reply (REV. II), received on 30 July 2018 The Commission has analysed the additional information sent by the petitioner and concluded that it does not bring any new elements. Therefore, the conclusions to date still apply.

**Load-Date:** November 5, 2018

**End of Document**



[***USDA Reminds Producers of Disaster Program Deadlines***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TPB-WCR1-JDG9-Y1FN-00000-00&context=1516831)

Impact News Service

November 9, 2018 Friday

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**Length:** 544 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

U.S Department of ***Agriculture*** (USDA) Farm Service Agency (FSA) reminds Nevada producers who experienced losses from natural disasters during the 2017 and 2018 ***calendar*** ***years*** that they may be eligible for assistance through the Tree Assistance ***Program*** (TAP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish ***Program*** (ELAP) and Livestock Indemnity ***Program*** (LIP).

Tree Assistance ***Program*** (TAP):

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines lost due to natural disasters. ***Payment*** eligibility is triggered when a mortality loss in excess of 15 percent on a stand (adjusted for normal mortality) occurs due to natural disaster.

For 2017 and 2018 TAP losses growers have until the later of Dec. 3, 2018, or 90 ***calendar*** days after the disaster event or date when the loss of trees becomes apparent to submit an application with supporting documentation.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish ***Program*** (ELAP):

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish who have suffered losses due to an adverse weather or loss condition, including blizzards, disease, water shortages and wildfires. ELAP assistance is provided for losses not covered by other disaster assistance ***programs***.

For 2017 and 2018 ELAP, producers must file a notice of loss and application for ***payment*** at their local FSA office by Dec. 3, 2018. for losses occurring from Oct. 1, 2016, through Sept. 30, 2018.

Livestock Indemnity ***Program*** (LIP):

LIP provides compensation to eligible livestock owners or contract growers for livestock deaths in excess of normal mortality, or injury resulting in reduced value, caused by an eligible loss condition.

For 2017 and 2018 LIP, a livestock owner or contract grower must file a notice of loss the later of 30 ***calendar*** days from when the loss of livestock is first apparent, or Dec. 3, 2018. For 2017 losses, a livestock owner or contract grower must file an application for ***payment*** by Dec. 3, 2018.  For 2018 losses, a livestock owner or contract grower must file an application for ***payment*** by, March 1, 2019.

Other Amendments to the 2014 Farm Bill by the Bipartisan Budget Act of 2018

In February, the Bipartisan Budget Act of 2018 made several changes to FSA disaster ***programs***. This includes eliminating the $20 million fiscal ***year*** funding cap for ELAP, eliminating the $125,000 ***payment*** limitation for LIP for 2017 and future ***years*** and allowing producers to receive a ***payment*** for injured livestock that are sold for a reduced price due to an eligible event.

As a result of these changes, starting June 4, producers were allowed to submit ELAP, LIP and LFP applications for 2017 losses if they reached the ***payment*** limitation under the previous rules. The application periods for these ***programs*** for the 2017 ***program*** ***year*** will close on Dec. 3, 2018. Producers who already submitted applications and received decisions on their applications for these ***years*** do not need to file again but can reapply if they have additional losses or their application or notice of loss was denied because it was late filed.

**Load-Date:** November 10, 2018

**End of Document**



[***Programme summary of Iranian TV news 1630 gmt 6 July 18***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SRB-0H01-JC8S-C4RC-00000-00&context=1516831)

BBC Monitoring Middle East - Political

Supplied by BBC Worldwide Monitoring

July 6, 2018 Friday

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**Length:** 420 words

**Body**

Summary of ***programme*** broadcast on state-run Iranian TV channel one on 6 July at 16:30 GMT

A. News headlines

B. Home news:

1. 1632 Video report on a meeting held by Iran and P4+1 members at ministerial level in Vienna on the nuclear deal, known as the Joint Comprehensive Plan of Action (JCPOA). Foreign Minister Mohammad Javad Zarif had a bilateral meeting with his Russian counterpart prior to this meeting. A statement was issued that was read out by EU Foreign Policy Chief Federica Mogherini. Correspondent interviews participants. Zarif briefed reporters on the meeting. Live video report by IRTV1's correspondent in Vienna on the statement. (See processed reports)

2. 1638 President Hassan Rouhani had telephone discussions with French President Emmanuel Macron and German Chancellor Merkel on 5 July on the package proposed by France, Germany, and the UK on the nuclear deal. (See processed reports)

3. 1640 Video report on Tehran Friday prayers.

4. 1642 Report on teachers' ***payments***.

5. 1643 Report on Tehran stock market.

6. 1645 Report on the Friday prayers and measures taken regarding water shortage, including Qadir-2 water supply project, in Khorramshahr. Video shows a rally in support of measures taken for water supply and correspondent interviews members of public.

7. 1648 Iran signed an agreement with a Chinese consortium to finance water ***transfer*** projects in Khuzestan Province.

8. 1650 Report on electricity shortage.

9. 1650 Hospitals were inaugurated in Baneh and Saqez of Kordestan Province.

10. 1651 Iran banned export of 18 ***agricultural*** items including wheat.

11. 1652 Report on recruitment examination of state organisations.

12. 1653 Report on Tehran Game Convention and government's support for Iranian producers.

C. 1654 Headlines

D. 1654 More home and world news:

1. 1654 Report on US-China trade war

2. 1657 Report on US President Donald Trump's complaint against NATO for relations with Russia.

3. 1658 Video report on clashes between Palestinians and Israel.

4. 1700 Video report on the latest developments in Syria. Live telephone interview with an expert.

5. 1704 Report on history of Iran's uranium enrichment and challenges faced. Video shows facilities and archive footage of interviews with officials.

E. 1715 Brief reports

F. 1719 Report on an Iranian forest ranger and nature in Ardebil.

G. 1722 Sports news

H. 1725 Weather news

I. 1728 ***Calendar***; prayer times

J. 1729 Recap of headlines

K. 1730 End of bulletin

Source: Vision of the Islamic Republic of Iran Network 1, Tehran, in Persian 1630 gmt 6 Jul 18

**Load-Date:** July 6, 2018

**End of Document**



[***United Kingdom Intellectual Property Office Publishes Application for Trademark "BRANSON" to Virgin Enterprises***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SNT-3KT1-JDKC-R3HD-00000-00&context=1516831)

UK Government News

June 29, 2018 Friday 4:57 PM EST

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**Length:** 3833 words

**Dateline:** South Wales

**Body**

South Wales, June 29 -- Virgin Enterprises Limited, London, has filed the trademark "branson" on April 10.

This trademark application relates to the following good(s) and service(s): Class(es): 9 [Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus; computer hardware; computer software; computer software platforms; computer software downloadable from the internet; application software; downloadable application software; virtual reality software; virtual reality games software; virtual reality headsets; virtual classroom software; telecommunications apparatus; mobile telecommunication apparatus; PDAs (Personal Digital Assistants), pocket PCs, mobile telephones, laptop computers; telecommunications network apparatus; drivers software for telecommunications networks and for telecommunications apparatus; mobile telephone covers, mobile telephone cases; electronic publications (downloadable); apparatus for recording, transmission or reproduction of sound or images; apparatus for use in broadcasting, transmission, receiving, processing, reproducing, encoding and decoding of radio and television ***programmes***, and other audio, video and image data; apparatus for use in broadcasting, transmission, receiving, processing, reproducing, encoding and decoding of digital media content; satellites; magnetic data carriers, recording disks; videos, CDs, CD roms, DVDs, mini-disks, CD-Is; audio, video and audio-visual recordings; cinematographical films; computer software; computer software supplied from the Internet; computer games software; electronic publications provided on-line from databases or the Internet; computer software and telecommunications apparatus to enable connection to databases and the Internet; digital music provided from the Internet; digital music provided from MP3 Internet websites; magnetically encoded cards for carrying data; multifunction cards for financial services; charge cards, cash cards, bank cards, cheque cards, credit cards, debit cards; encoded smart cards; computer hardware and software for the provision of banking services, of financial services, of bank account management services, of monetary ***transfer*** services, of ***payment*** services, of financial analysis and financial reports, of financial management services, of managing charitable organisations and of information services relating to banking and finance; database enabling registered charities to process donations and claim gift aid; plastic cards;parts and fittings for all the aforesaid goods.], 16 [Paper andcardboard; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks; printed publications; printed publications relating to insurance, financial affairs, monetary affairs, real estate affairs, advertising and business management and administration, advertising, business management, business administration, office functions, transport, packaging and storage of goods, travel arrangement, education, providing of training, entertainment, sporting and cultural activities, services for providing food and drink, temporary accommodation, travel and tourism, media, telecoms, music and entertainment, finance and money, health and wellbeing, leisure and lifestyle, social and environmental issues; books, comics, journals, albums, newspapers, magazines, posters; ***calendars***; guides; brochures; timetables; pricelists; in-flight magazines; promotional leaflets; advertisements; carrier bags; paper bags; printed ***programmes***; instructional and teaching material; writing instruments; pens, pencils, crayons; erasers; rulers; pencil sharpeners; pencil boxes and cases; pencil holders; photograph albums; ring binders; folders; notebooks; notepads; diaries; postcards; drawings (graphic); stickers; ***transfers*** (decalcomanias); stencils; parts and fittings for all the aforesaid goods.], 35 [Advertising; business management; business administration; office functions; advertising, promotion, marketing, business management and business consultancy services relating to travel and tourism, media and telecoms, music and entertainment, finance and money, health and wellbeing, leisure and lifestyle, social and environment issues; marketing and promotion services; business management; business consultancy and research; monitoring and evaluation of business and market opportunities; business collaboration and networking services; services to assist in establishing networks of business contacts; arranging business introductions; arranging of exhibitions for business purposes; business information provided on-line from a computer database for the Internet; preparation, dissemination and updating of advertising material for use as web pages on the Internet or otherwise; advertising services by means of television screen based text; provision and rental of advertising space; providing online business data information services; business planning, assistance and management services; business investigations and surveys; book-keeping and accounting services; tax assessment preparation, and preparation and completion of tax returns; provision of information relating to tax; tax consultancy and planning services (accountancy); business consultancy and advisory services; business services relating to the provision of sponsorship; organisation, operation and supervision of loyalty schemes and incentive schemes; promotional and public awareness campaigns; promoting public awareness of environmental issues and initiatives; business services relating to fund raising campaigns; business services relating to charity; business management and administration services in connection with a charity, non-governmental organization, social enterprise and social organisation; organising and conducting volunteer ***programmes*** and community service projects; auction sales; Retail services, online retail services and in-flight retail services connected with the sale of records, music, books and comics, drinks, wines, clothing, cosmetics and jewellery, perfumery, fashion accessories, media and consumer electronic devices, toys and games, cameras, personal grooming products, stationery, bags, wallets and leather goods, confectionery, linens and fabrics; the bringing together, for the benefit of others, of a variety of holidays, cruises, airline tickets and transport, train tickets and transport, balloon flights, space flights, taxi services, motorcycles taxi services, limousine rides, media and telecommunications, entertainment, radio, festivals tickets, financial and monetary services, health clubs and spa services, gaming services, wedding services, environmental services, enabling consumers to conveniently compare and purchase these services; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; payroll services; charitable donations in-kind, namely co-ordination and procurement of products and services donated as gifts by third parties; information and advisory services in relation to the aforesaid services provided over a telecommunications network.], 36 [Insurance; financial affairs; monetary affairs; real estate affairs; insurance and life assurance services; travel insurance; car and motor insurance services; financial services; real estate services; valuations and financial appraisals of property; property acquisition and property management services; banking services; acceptance of deposits; safe deposit services; monetary ***transfer***; banking current account services; ***payment*** services; automated banking services; automatic cash dispensing services; automatic teller machine services; home banking; internet banking; clearing services; account debiting services; cheque encashment services; administration of financial affairs; trustee services; charitable fund-raising services; mutual funds services; bill ***payment*** services; cash management services; factoring services; invoice discounting services; credit brokerage; financing of loans; making of loans against security; mortgage services; lease purchase financing services; hire purchase financing services; financial card services; credit card, charge card, cash card, cheque guarantee card, purchase card, ***payment*** card and debit card services; virtual currency services; virtual currency exchange; virtual currency ***transfer*** services; ***payment*** and credit services; foreign exchange, money exchange and currency exchange services; travellers cheque services; merchant banking and investment banking services; savings services; investment advice; investment services; financial and investment management services; capital investment services; stock broking services; unit trust services; futures contracts; providing stock market information; tax services; financial planning and investment advisory services; financial research services; pension fund services; provision of financial information; administration and valuation of investments; financial analysis and providing reports; financial information services; consultancy services relating to finance; financial services relating to sporting, cultural and entertainment projects; arranging of finance for sporting, cultural and entertainment projects; arranging finance for the production of audio, video and image data; arranging finance for the production of digital media content; arranging finance for television ***programs***; arranging finance for films; financial sponsorship; sponsorship and funding of television ***programmes*** and films; sponsorship and funding of the production of audio, video and image data; sponsorship and funding of the production of digital media content; sponsorship and funding of live music and sports events; credit services; provision of credit services; financial services relating to the funding of broadcasting; financial services related to the subsidising of broadcasting, television ***programme***, film and digital media content production through on-air advertising, ***programme*** sponsorship, the sale of content, merchandising, subscription fees; fund raising; charitable fund raising; organising and management of collections; sponsorship schemes; grant distribution; project-related investments; charitable donations; savings schemes relating to health care; issuance of tokens of value in relation to incentive schemes; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; information and advisory services in relation to the aforesaid services provided over a telecommunications network.], 38 [Telecommunications; telecommunications services; mobile telecommunications services; telecommunications portal services; Internet portal services; mobile telecommunications network services; WiMax Network services; fixed line telecommunication services; mobile virtual network operator; provision of broadband telecommunications access; broadband services; broadcasting services; television broadcasting services; radio broadcasting services; broadcasting services relating to Internet protocol TV; provision of access to Internet protocol TV; Internet access services; email and text messaging services; services of a network provider, namely rental and handling of access time to data networks and databases, in particular the Internet; communications services for accessing a database, leasing of access time to a computer database, providing access to computer databases, rental of access time to a computer database; operation of a network, being telecommunication services; telecommunication of information, computer ***programs***, digital media content and any other audio, video or image data; computer aided transmission of messages, audio, video and image data; electronic communication services; television, cable television, satellite television and subscription television broadcasting services; video text and television screen based information and broadcasting and retrieval services; news agency services; texting; sms services; texting services; audio relay services; operating chat rooms; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; information and advisory services in relation to the aforesaid services provided over a telecommunications network.], 39 [Transport; transportation by linear electric motor of passenger and freight pods through elevated and/or tunnelled reduced pressure/vacuum tubes at speeds in excess of commercial airline speeds incorporating passive magnetic levitation technology and fully automated control systems; cargo services; packaging and storage of goods; travel arrangement; arranging and organisation of flights; airline services; arranging and organisation of cruises; cruise ship services; arranging and organisation of space travel; launching of spacecraft; arranging and organisation of holidays; package holiday and travel agency services; arranging and organisation of transport of passengers by train; hot air balloon travel; airship travel; taxi services; motorcycle taxi services; limousines services; travel booking services; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; charitable donations in-kind, namely distribution of products and services donated as gifts by third parties; information and advisory services in relation to the aforesaid services provided over a telecommunications network.

.], 41 [Education; providing of training; business education and training services; business education and training consultancy services; entertainment; entertainment booking services; sporting and cultural activities; production, presentation, syndication, reviewing, editing, networking and rental of material with a visual and/or audio element, including television and radio ***programmes***, films, sound and video recordings, interactive entertainment, CDIs, CD-Roms, computer games, live shows, stage plays, exhibitions and concerts; conducting of business conferences and seminars; production, presentation, syndication, reviewing, editing, networking and rental of digital media content; electronic games services provided by means of the Internet or any other communications network; education; entertainment; sporting and cultural activities; providing of training; publication services; information relating to education or entertainment, provided on line from a computer database or the Internet or by means of television or radio ***programmes***; providing on-line electronic publications (not downloadable); publication of electronic books and journals on-line; provision of news information; providing digital music from the Internet (not downloadable); music festival services; organising music festivals; organising of sporting, leisure and entertainment events; organising of sporting, leisure and entertainment events relating to charitable fund raising and promotion; educational services relating to environmental conservation and conservations of energy; organisation, conduct and supervision of competitions and lotteries and prize draws; health and fitness club services; exercise and fitness classes; gym club services; provision of swimming pool facilities; personal trainer services; cruise ship entertainment services; holiday camp services; cinema facilities; education services relating to travel and tourism, media and telecoms, music and entertainment, finance and money, health and wellbeing, leisure and lifestyle, social and environment issues; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; Publishing of books and other printed matter; provision of swimming pools; information and advisory services in relation to the aforesaid services provided over a telecommunications network.], 42 [Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; IT services; computer ***programming*** services; services of a programmer; recovery of computer data; consultancy in the field of computer hardware; computer ***programming***; duplication of computer ***programs***; computer rental; computer software design; installation of computer software; maintenance of computer software; updating of computer software; rental of computer software; rental of computer hardware; computer system design; computer systems analysis; consultancy in the field of computer software; hosting of transaction platforms on the Internet; hosting of e-commerce platforms on the Internet; software as a service [SAAS] services; development of virtual reality software; conversion of data or documents from physical to electronic media; creating and maintaining websites for others; data conversion of computer ***programs*** and data (not physical conversion); hosting computer sites (web sites); services of engineers; expert advice and expert opinion relating to technology; rental of data processing apparatus and computers; technical services relating to projection and planning of equipment for telecommunications; services of information brokers and providers, namely product research for others; weather forecasting; research in the field of telecommunication technology; monitoring of network systems in the field of telecommunications; technical support services relating to telecommunications and apparatus; search engine services; publishing of computer game software and video games software; environmental conservation; energy conservation; providing advice on environment-related issues; development of ***programs*** and campaigns to the public regarding environmental and conservation issues; encouragement of innovation and highlighting information on best methods for reduction of waste and for re-use of products; environmental monitoring services; environmental support services for providing technical advice relating to sustainable development, cost reduction and savings in material and energy consumption, storage, transport and packaging; environmental consultancy services provided to businesses relating to benchmarking, accreditation and verification of performance; information services relating to all the aforesaid services; provision of all the aforesaid services via a computerised self assessment process; provision of all the aforesaid services via the Internet; provision of all the aforesaid services to members of an organisation; information and advisory services relating to all of the aforesaid; information and advisory services relating to all of the aforesaid provided online from a computer database or from the internet; accreditation and consultancy services relating to environmental issues and compliance with environmental requirements; certification, preparation and examination of quality requirements and standards relating to environmental issues and compliance with environmental requirements; investigation, search and enquiry services relating to the environment; information and advisory services relating to all of the aforesaid provided over a telecommunications network.], 43 [Services for providing food and drink; temporary accommodation; cafe, restaurant, club, public house, cafeteria and bar services; catering; airport lounge services; hotel and hotel reservation services; day nurseries; camp services; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; creche services; information and advisory services in relation to the aforesaid services provided over a telecommunications network.], 44 [Medical services; veterinary services; dentistry; hygienic and beauty care for human beings or animals; cosmetic treatment; cosmetic surgery; ***agriculture***, horticulture and forestry services; healthcare; health centres; health assessment surveys; health screening; health bank services to facilitate the storing of stem cells; health care consultancy services; spas; health spa services; medical spa services; hair and beauty salon services; beauty therapy treatment services; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet; information and advisory services in relation to the aforesaid services provided over a telecommunications network.] and 45 [Legal services; security services for the protection of property and individuals; licensing of intellectual property; advisory and consultancy services regarding legislation and policy changes; political lobbying services; advisory and consultancy services on issues of government and political policy; policy change initiatives; information and advisory services regarding all of the aforesaid; information and advisory services relating to all of the aforesaid provided online from a computer database or from the Internet; information and advisory services relating to all of the aforesaid provided over a telecommunications network; protection and exploitation of copyright relating to films, television, theatre and to music; personal introduction services; personal networking services; information and advisory services relating to the aforesaid; information and advisory services relating to the aforesaid services provided on-line from a computer database or the Internet.] The trademark application (journal number: 2018/025) was published on June 22. The original document can be viewed at: [*https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00003302798*](https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00003302798) For any query with respect to this article or any other content requirement, please contact Editor at [*content.services@htlive.com*](mailto:content.services@htlive.com)

**Load-Date:** June 29, 2018

**End of Document**



[***Farm Bill Fails on House Floor***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SCN-BTT1-JDG9-Y09Y-00000-00&context=1516831)

Impact News Service

May 21, 2018 Monday

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**Length:** 689 words

**Body**

Alexandria: The National Association for Convenience & Fuel Retailing has issued the following news release:

On Friday, the House of Representatives failed to pass its version of the Farm Bill, a behemoth legislative vehicle that Congress considers every four ***years*** to reauthorize ***agriculture*** ***programs*** including the Supplemental Nutrition Assistance ***Program*** (SNAP). Despite House leaders delaying the final vote on the bill in a last ditch effort to pull conservative votes on the floor, the bill failed on a predominately party line vote of 198 to 213. Of the 213 votes against the bill, 183 were from Democrats and 30 from Freedom Caucus Republicans.

The 115th Congress’ iteration of the Farm Bill, formally titled “H.R.2, the ***Agriculture*** & Nutrition Act of 2018,” was authored and introduced by Chairman of the House ***Agriculture*** Committee Mike Conaway (R-TX). Throughout the Farm Bill process and negotiations, NACS has advocated on behalf of the convenience store industry for policies that will preserve the critical role convenience stores play in SNAP.

During the amendment process, NACS along with other retail groups advocated against an amendment filed by Rep. Kristi Noem (R-SD) that would have permitted the public release individual store level data as it relates to SNAP. In response to substantial grassroots pushback from retailers, including many convenience store operators, the amendment was voted out of order by the House Rules Committee and not permitted to come to the House floor.

There are several provisions in the Conaway Farm Bill that would have impacted convenience stores:

Processing Fees - This provision prohibits interchange fees, processing fees, or routine fees on all Electronic Benefit ***Transfer*** (EBT) transactions. Currently, interchange fees are prohibited on all SNAP transactions. On commercial transactions, these fees are the second highest operating cost for convenience stores. NACS strongly supports this language in the bill.

Modernizing EBT technologies – This provision calls for the Food and Nutrition Service (FNS) to periodically review EBT regulations and consider evolving ***payment*** technologies that are available as well as alternatives for securing and authenticating a transaction.

Mobile Technologies – This provision will allow for the use of mobile technologies to redeem SNAP benefits following the completion of a pilot ***program*** consisting of no more than five state agencies. If the Secretary of ***Agriculture*** determines that implementation requires further study of the pilot ***program***, he will need to submit a report to Congress justifying the determination.

Retail Food Stores Data Collection – This provision requires FNS to conduct a retailer survey every two ***years*** that is designed to uncover what is being purchased by SNAP recipients at retail food stores.

National Gateway – This provision requires that all SNAP transactions be routed through a national gateway that will be sustained through the ***payment*** of fees by benefit issuers and third-party processors.

The Nutrition title of the Farm Bill—the section of the legislation that addresses nutrition related matters—is often the most contentious because of differing partisan views on SNAP. The Conaway bill includes provisions that would tighten current eligibility and work requirements for SNAP recipients. These provisions are strongly opposed by the House ***Agriculture*** Committee Ranking Member Collin Peterson (D-MN), Democratic leadership, and the Democratic conference.  As a result, all Democratic members voted against final passage.

Next in the Farm Bill process, the Senate ***Agriculture*** Committee is expected to consider their version of the bill in the next few weeks and then move it to the Senate floor for a vote this summer. Generally, once each chamber passes its version of the Farm Bill, lawmakers have to reconcile the differences in the two bills. In light of Friday’s failed House vote, however, it is unclear when the House will reconsider the legislation and what the timing will be to get a final version to the President’s desk.

Please stay tuned to the NACS Daily for updates on the Farm Bill process.

**Load-Date:** May 22, 2018

**End of Document**



[***Baker-Grant County FSA Updates USDA Offers Drought Impacted Oregon Farmers and Ranchers Immediate Disaster Assistance***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SNJ-F391-F0YC-N34B-00000-00&context=1516831)

Impact News Service

November 22, 2018 Thursday

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**Length:** 629 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

Baker-Grant County Farm Service Agency (FSA) reminds farmers and ranchers in Name County of federal farm ***program*** benefits that may be available to help eligible producers recover from drought.

FSA offers disaster assistance and low-interest loan ***programs*** to assist ***agricultural*** producers in their recovery efforts during drought or similar qualifying natural disasters. Available ***programs*** and loans include:

    Non-Insured Crop Disaster Assistance ***Program*** (NAP) – provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters (includes native grass for grazing). Eligible producers must have purchased NAP coverage for 2018 crops.     Livestock Forage Disaster ***Program*** (LFP) – provides compensation to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash leased land or if a federal agency prohibits producers from grazing normally permitted livestock on federally managed lands due to qualifying fire. Producers must provide a completed application for ***payment*** and required supporting documentation to their FSA office within 30 ***calendar*** days after the end of the ***calendar*** ***year*** in which the grazing loss occurred.     Livestock Indemnity ***Program*** (LIP) – LIP provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by eligible adverse weather conditions. Drought is not an eligible adverse weather event, except when associated with anthrax, a condition that occurs because of drought and directly results in the death of eligible livestock. Producers must submit a notice of loss within 30 days after the death is first apparent.     Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish ***Program*** (ELAP) – provides emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, which are not adequately addressed by other disaster ***programs***. Producers must submit a notice of loss to their local FSA office within 30 ***calendar*** days of when the loss is apparent.     Emergency Loan ***Program*** – Available to producers with ***agriculture*** operations located in a county under a primary or contiguous Secretarial Disaster designation. These low interest loans help producers recover from production and physical losses.     Emergency Conservation ***Program*** (ECP) – provides emergency funding for farmers and ranchers to rehabilitate land severely damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought. Submit an application at your local FSA office.

    HayNet – is an internet-based Hay and Grazing Net Ad Service allowing farmers and ranchers to share 'Need Hay' ads and 'Have Hay' ads online. Farmers also can use another feature to post advertisements for grazing land, specifically ads announcing the availability of grazing land or ads requesting a need for land to graze. [*www.fsa.usda.gov/haynet*](http://www.fsa.usda.gov/haynet).     Conservation Reserve ***Program*** (CRP) Emergency Grazing – authorized to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster on qualifying CRP acres. Emergency authorization is provided by either a national FSA office authorization or by a state FSA committee determination utilizing the U.S Drought Monitor.

To establish or retain FSA ***program*** eligibility, farmers and ranchers must report prevented planting and failed acres (crops and grasses). Prevented planting acreage must be reported on form FSA-576, Notice of Loss, no later than 15 ***calendar*** days after the final planting date as established by FSA and Risk Management Agency (RMA).

**Load-Date:** November 23, 2018

**End of Document**



[***-IMF Executive Board Approves US$ 50 Billion Stand-By Arrangement for Argentina***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SM4-2V81-JD3Y-Y0DP-00000-00&context=1516831)

ENP Newswire

June 21, 2018 Thursday

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**Length:** 1806 words

**Body**

The Executive Board of the International Monetary Fund (IMF) today approved a three-***year*** Stand-By Arrangement (SBA) for Argentina amounting to US$ 50 billion (equivalent to SDR 35.379 billion, or about 1,110 percent of Argentina's quota in the IMF).

The Board's decision allows the authorities to make an immediate purchase of US$ 15 billion (equivalent to SDR 10,614 billion, or 333 percent of Argentina's quota). One half of this amount (US$ 7.5 billion) will be used for budget support. The remaining amount of IMF financial support (US$ 35 billion) will be made available over the duration of the arrangement, subject to quarterly reviews by the Executive Board. The authorities have indicated that they intend to draw on the first tranche of the arrangement but subsequently treat the remainder of the arrangement as precautionary.

The Argentine authorities' economic plan backed by the SBA aims to strengthen the country's economy by restoring market confidence via a consistent macroeconomic ***program*** that lessens financing needs, puts Argentina's public debt on a firm downward trajectory, and strengthens the plan to reduce inflation by setting more realistic inflation targets and reinforcing the independence of the central bank. Importantly, the plan includes steps to protect society's most vulnerable by maintaining social spending and, if social conditions were to deteriorate, by providing room for greater spending on Argentina's social safety net.

Following the Executive Board discussion of Argentina's economic plan, Ms. Christine Lagarde, Managing Director and Chair, summarized the Board's findings:

'For the past 21/2 ***years***, Argentina has been engaged in a systemic transformation of its economy, including deep changes to foreign exchange markets, subsidies, and taxation, as well as improvements to their official statistics. Nonetheless, a recent shift in market sentiment and an ill-fated confluence of factors have placed Argentina under significant balance of ***payments*** pressures. Amid these challenging circumstances, the Government has requested IMF support in implementing its own policy plans.

'The authorities' intended policies seek to address longstanding vulnerabilities, ensure that debt remains sustainable, reduce inflation, and foster growth and job creation, while reducing poverty.

'Given the large fiscal deficits over the past several ***years***, the Government's economic ***program*** is anchored on the goal of achieving federal government primary balance by 2020. This will be key to restoring market confidence. Improving the budgetary process and providing this medium-term anchor for fiscal policy will help to entrench these gains.

'The authorities also aim to rebuild the credibility of the inflation targeting framework, including by strengthening central bank independence and ending direct and indirect central bank financing of the government. These efforts are expected to bring inflation to single digits by end-2021.

'The authorities are committed to a floating, market-determined exchange rate. They intend to limit foreign exchange intervention to periods of significant volatility and market dysfunction, and to rebuild reserve buffers.

'The ***program*** places considerable emphasis on maintaining social cohesion, encouraging gender equality, and protecting society's most vulnerable. The authorities, at the highest level, are strongly committed to these principles. The most vulnerable population will be assisted by well-designed government support ***programs*** that will be prioritized within the ***program*** targets. The Government has also prioritized gender equity to realize the potential and benefits from Argentine women fully participating, on equal footing, in the economy.

'The Argentine Government has demonstrated its strong ownership of the ***program***, which is custom-tailored for the situation faced by the people of Argentina. There are evident risks to the ***program*** but steadfast implementation of the policy plans will allow the country to fully capitalize on its economic potential, and to ensure that all Argentines are included in the country's future prosperity.'

ANNEX

Recent economic developments

Argentina's financial markets came under sudden pressure in April as the result of a confluence of factors. A severe drought led to a sharp decline in ***agricultural*** production and export revenue, world energy prices increased, and global financial conditions tightened through an appreciation of the U.S. dollar and an upward shift in U.S. interest rates. These changes interacted with vulnerabilities that Argentina's policy path had embedded, including significant fiscal and external financing requirements. These economic forces manifested themselves principally in the form of pressure on the Argentine peso, market anxiety about the roll-over of short-term central bank paper, and an increase in Argentina's sovereign risk premium.

***Program*** summary

The IMF-support economic plan aims to strengthen the Argentine economy by focusing on four key pillars:

Restore market confidence. The government has committed to a clear macroeconomic ***program*** that lessens federal financing needs and puts public debt on a firm downward trajectory. This will help create a clear path to strong, sustained, and equitable growth and robust job creation. Anchoring this effort is a fiscal adjustment that ensures that the federal government reaches primary balance by 2020, with a significant up-front adjustment to secure a primary deficit of 1.3 percent of GDP in 2019.

Protect society's most vulnerable. Steps will be taken to strengthen the social safety net, including through a redesign of assistance ***programs*** (which are often overlapping, yet still result in gaps in coverage) and through measures to increase female labor force participation (by eliminating the second-earner tax penalty and providing working families with assistance with childcare). The level of social spending will be protected under the ***program***. Also, if needed, additional spending on pre-identified, high-quality, means-tested social assistance projects will be accommodated. The authorities' goal is to continue to reduce poverty rates throughout the course of the arrangement even if there were to be a slower-than-expected economic rebound.

Strengthen the credibility of the central bank's inflation targeting framework. The government has pledged to provide the central bank with the institutional and operational independence and autonomy that is needed to achieve effectively inflation objectives. In addition, the central bank has adopted a new credible path of disinflation to bring inflation to single digits by the end of the three-***year*** SBA period. Plans are also being developed to ensure the central bank has a healthy balance sheet and full financial autonomy. The plan also foresees steps to diminish the Central Bank's vulnerability from a short term peso denominated debt (LEBACs).

Progressively lessen the strains on the balance of ***payments***. This would involve rebuilding international reserves and reducing Argentina's vulnerability to pressures on the capital account.

Table 1. Argentina: Selected Economic and Financial Indicators

Proj.

2015

2016

2017

2018

2019

2020

2021

2022

2023

(Annual percentage changes unless otherwise indicated)

National income, prices, and labor markets

GDP at constant prices

2.7

1.8

2.9

0.4

1.5

2.5

3.1

3.1

3.2

Domestic demand

4.2

1.3

6.3

1.4

0.5

2.0

2.7

2.8

3.0

Consumption

4.2

0.8

3.3

0.9

1.6

1.9

1.9

1.6

1.7

Private

3.7

1.0

3.6

0.6

2.3

2.5

2.4

1.9

2.0

Public

6.9

0.3

2.0

2.2

2.0

1.6

0.9

0.4

0.3

Investment

3.5

4.9

11.3

1.2

2.1

3.0

6.8

8.3

8.3

Private

4.4

5.3

11.0

1.9

2.5

4.0

7.1

8.0

6.8

Public

3.9

4.7

13.5

12.0

19.1

1.6

5.3

9.8

15.9

Exports

2.8

5.3

0.4

5.6

6.8

5.4

5.6

5.8

5.5

Imports

4.7

5.7

14.7

2.7

1.6

3.1

3.8

4.1

4.2

Change in inventories and stat. disc.

0.2

0.2

1.6

0.5

0.5

0.0

0.0

0.0

0.0

Nominal GDP (bn Argentine pesos)

5,955

8,189

10,558

13,240

16,068

18,746

21,227

23,191

25,135

Output gap (percent)

1.1

1.8

1.5

2.9

3.7

3.3

2.5

1.8

1.3

CPI inflation (eop, y/y % change)

...

...

24.8

27.0

17.0

13.0

9.0

5.0

5.0

GDP deflator (y/y % change)

26.6

40.1

25.3

24.9

19.6

13.8

9.9

5.9

5.1

Unemployment rate (%)

...

8.5

8.4

8.5

8.6

8.4

8.2

8.0

7.8

(Percent of GDP unless otherwise indicated)

External sector

Exports f.o.b. (goods, bn US$)

56.8

57.9

58.4

66.4

71.6

75.3

80.1

84.9

89.6

Imports f.o.b. (goods, bn US$)

57.6

53.5

64.0

65.7

67.7

72.2

77.4

82.1

86.8

Trade balance (goods bn US$)

0.8

4.4

5.5

0.7

4.0

3.1

2.7

2.8

2.8

Trade balance (goods)

0.1

0.8

0.9

0.1

0.7

0.5

0.4

0.4

0.4

Terms of trade (% change)

4.4

6.0

2.7

4.0

1.9

3.0

1.4

0.3

0.1

Total external debt

27.9

34.2

37.0

51.3

52.6

52.0

50.8

50.0

49.2

Savings-Investment balance

Gross domestic investment

15.6

14.6

14.8

15.1

14.8

14.9

15.5

16.4

17.2

Private

11.9

11.2

11.3

12.1

12.2

12.4

12.9

13.6

14.1

Public

3.6

3.4

3.5

3.1

2.6

2.5

2.6

2.7

3.1

Gross national savings

12.8

12.0

10.0

11.6

11.6

12.2

13.3

14.3

15.1

Private

18.6

18.3

16.5

16.7

15.4

15.1

16.0

16.9

17.5

Public

2.1

2.9

3.0

2.1

1.2

0.4

0.1

0.1

0.7

Current account balance

2.7

2.7

4.8

3.6

3.2

2.7

2.2

2.1

2.1

Public sector 1/

Primary balance

4.4

4.7

4.2

2.8

1.3

0.2

0.8

1.2

1.3

of which : Federal government

3.8

4.2

3.8

2.7

1.3

0.0

0.5

0.9

1.2

memo : Structural federal primary balance 2/

4.2

4.5

3.7

2.1

0.6

0.6

0.9

1.2

1.4

Overall balance

5.8

6.4

6.5

5.1

3.8

2.9

2.7

2.6

2.4

of which : Federal government

5.1

5.8

6.0

5.0

3.7

3.0

2.9

2.7

2.3

Revenues

35.4

35.1

34.8

35.0

35.6

35.8

35.8

35.5

35.2

Primary expenditure 3/

39.8

39.8

39.0

37.8

36.9

35.6

34.9

34.3

34.0

Total public debt (federal)

55.1

53.3

57.1

64.5

60.9

57.4

55.8

54.1

53.0

Money and credit

Monetary base (eop, y/y % change)

34.9

31.7

21.8

25.9

21.3

18.0

14.5

14.2

13.8

M2 (% change)

28.2

30.4

25.8

22.5

25.3

18.6

14.5

14.2

13.8

Credit to the private sector (eop, y/y % change)

35.7

31.2

51.3

34.9

21.9

18.0

23.8

16.9

16.2

Credit to the private sector real (eop, y/y % change)

...

...

21.2

6.2

4.2

4.4

13.6

11.3

10.6

Interest rate (eop) 4/

32.2

23.9

28.8

37.2

22.5

15.8

11.0

10.0

9.7

Real interest rate (eop), 12-m ahead y/y inflation 4/

...

...

9.7

17.2

8.4

6.2

5.7

4.8

4.5

Real interest rate (eop), 1-m ahead m/m inflation 4/

...

...

7.4

14.2

6.6

4.5

4.5

4.7

4.4

Memorandum items

Gross international reserves (bn US$)

25.6

39.3

55.1

65.4

69.0

79.7

88.4

96.0

103.8

Net international reserves, (bn US$) 5/

1.5

10.3

27.9

29.7

33.4

44.0

54.6

69.8

83.2

Change in REER (eop, % change)

5.3

3.4

5.4

18.1

3.9

0.7

0.1

0.0

0.0

Sources: Ministerio de Hacienda y Finanzas Publicas, Banco Central de la Republica Argentina (BCRA), and Fund staff estimates.

1/ The primary balance excludes profit ***transfers*** from the central bank of Argentina. Interest expenditure is net of property income from the social security fund before 2016.

2/ Percent of potential GDP.

3/ Includes ***transfers*** to municipalities, but excludes municipal spending.

4/ Average of all LEBAC maturities before 2017 and midpoint of the repo corridor starting in 2017; ex ante real rates.

5/ Assumes that entire first tranche would remain deposited at the BCRA. Projections and ***program*** targets will be adjusted accordingly upon changes.

IMF Communications Department

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[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** June 21, 2018

**End of Document**



[***PUBLIC BILLS AND RESOLUTIONS (House of Representatives - October 02, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SDH-BDX1-JDG9-Y4N0-00000-00&context=1516831)

Impact News Service

October 3, 2018 Wednesday

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**Length:** 1897 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows: By Mr. CLYBURN: H.R 7009. A bill to provide an increased allocation of funding under certain ***programs*** for assistance in persistent poverty counties, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, ***Agriculture***, Education and the Workforce, Energy and Commerce, Science, Space, and Technology, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Ms. MOORE (for herself, Ms. Lee, Ms. Jackson Lee, Ms. Roybal-Allard, and Ms. DeLauro): H.R 7010. A bill to reauthorize and amend the ***program*** of block grants to States for temporary assistance for needy families and related ***programs***; to the Committee on Ways and Means, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. ISSA (for himself and Ms. Clarke of New York): H.R 7011. A bill to direct the Secretary of Defense to conduct a study of the potential application of smart technology on military installations; to the Committee on Armed Services.

By Ms. BASS (for herself and Mr. Marino): H.R 7012. A bill to amend part B of title IV of the Social Security Act to provide grants to develop and enhance, or to evaluate, kinship navigator ***programs***, and for other purposes; to the Committee on Ways and Means. By Mr. BIGGS: H.R 7013. A bill to direct the Secretary of Veterans Affairs to carry out a pilot ***program*** to improve the ability of Members of Congress to assist constituents with respect to benefits for veterans; to the Committee on Veterans' Affairs. By Mr. CARTWRIGHT: H.R 7014. A bill to require the Secretary of Transportation to modify the final rule relating to flightcrew member duty and rest [[Page H9414]] requirements for passenger operations of air carriers to apply to all-cargo operations of air carriers, and for other purposes; to the Committee on Transportation and Infrastructure. By Mr. CURBELO of Florida (for himself, Mr. Lawson of Florida, and Mr. Diaz-Balart): H.R 7015. A bill to amend title VII of the Tariff Act of 1930 to provide for the treatment of core seasonal industries affected by antidumping or countervailing duty investigations, and for other purposes; to the Committee on Ways and Means. By Ms. JACKSON LEE (for herself, Mr. Carson of Indiana, Ms. Moore, and Ms. Norton): H.R 7016. A bill to establish a task force to address the national security and safety issues presented by the manufacturing of prohibited firearms, munitions, and related materials through the use of 3-D printing technology, to prohibit the use of 3-D printing technology to make a firearm, ammunition, or a component of a firearm or ammunition, and to prohibit the possession or ***transfer*** of a firearm, ammunition, or component so made, and for other purposes; to the Committee on the Judiciary. By Ms. KUSTER of New Hampshire (for herself, Mr. Poliquin, Mr. Mooney of West Virginia, Mr. Gianforte, Mr. Westerman, Ms. Shea-Porter, and Mr. Welch): H.R 7017. A bill to direct the Secretary of Veterans Affairs to carry out a demonstration ***program*** to expand the availability of telemedicine services for veterans living in rural areas with certain mental health disorders, and for other purposes; to the Committee on Veterans' Affairs. By Mr. LaMALFA: H.R 7018. A bill to impose enhanced penalties for conduct relating to unlawful production of a controlled substance on Federal property or while intentionally trespassing on the property of another that causes environmental damage, and for other purposes; to the Committee on Natural Resources, and in addition to the Committees on the Judiciary, Energy and Commerce, and ***Agriculture***, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mrs. LOVE (for herself, Mr. Bishop of Utah, Mr. Stewart, and Mr. Curtis): H.R 7019. A bill to authorize the United States Postal Service to provide certain nonpostal property, products, and services on behalf of State, local, and tribal governments; to the Committee on Oversight and Government Reform. By Ms. NORTON: H.R 7020. A bill to authorize the District of Columbia to enter into multi-***year*** agreements to carry out certain public- private partnership projects and make ***payments*** for the termination costs under such agreements in any fiscal ***year***, and for other purposes; to the Committee on Oversight and Government Reform. By Mr. PAULSEN (for himself and Mr. Coffman): H.R 7021. A bill to amend the Internal Revenue Code of 1986 to provide for distributions from 529 plans to pay certain early education expenses; to the Committee on Ways and Means. By Mr. PETERS (for himself, Mr. Katko, Mr. Takano, and Mr. Coffman): H.R 7022. A bill to provide for greater transparency in the HUD-VASH supported housing ***program*** for homeless veterans, and for other purposes; to the Committee on Financial Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. PETERSON (for himself and Mr. Mooney of West Virginia): H.R 7023. A bill to support the preparation and retention of outstanding educators in all fields to ensure a bright future for children and youth in under-resourced and underserved communities in the United States, and for other purposes; to the Committee on Education and the Workforce. By Mr. RASKIN (for himself, Mr. Curbelo of Florida, Mr. Panetta, Ms. Wasserman Schultz, Mr. Donovan, and Mr. Vela): H.R 7024. A bill to establish a Federal standard in order to improve the Nation's resilience to current and future flood risk; to the Committee on Financial Services, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Ms. ROSEN (for herself, Mr. Jones, Mr. Kind, and Mr. Curbelo of Florida): H.R 7025. A bill to amend title 10, United States Code, to improve the Transition Assistance ***Program*** for members of the Armed Forces, and for other purposes; to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Ms. SCHAKOWSKY (for herself, Ms. Bonamici, and Mr. Norcross): H.R 7026. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for greater spousal protection under defined contribution plans, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. SCHNEIDER: H.R 7027. A bill to improve the procedures of the national instant criminal background check system in the case of firearm ***transfers*** by federally licensed firearms importers, manufacturers, and dealers before the completion of the related criminal background check, and to provide for annual reports on default firearm ***transfers***; to the Committee on the Judiciary. By Mr. VELA: H.R 7028. A bill to establish pilot ***programs*** for, and require the development of policies with respect to, the use of body-worn cameras by officers and agents of U.S Customs and Border Protection and U.S Immigration and Customs Enforcement, and for other purposes; to the Committee on Homeland Security, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. WALBERG: H.R 7029. A bill to amend the Fair Labor Standards Act of 1938 to clarify the definition of employee as it relates to direct sellers, and for other purposes; to the Committee on Education and the Workforce. By Ms. WASSERMAN SCHULTZ (for herself, Mr. Nadler, Ms. Lofgren, Mr. Cohen, Mr. Gutierrez, Ms. Jayapal, Mrs. Demings, Mr. Blumenauer, Mr. Cardenas, Ms. Clarke of New York, Mr. Curbelo of Florida, Ms. DeLauro, Mr. Hastings, Ms. Michelle Lujan Grisham of New Mexico, Mr. McGovern, Ms. Norton, Mr. Perlmutter, Ms. Ros- Lehtinen, Ms. Roybal-Allard, Mr. Scott of Virginia, Ms. Shea-Porter, Ms. Titus, Mr. Vargas, Mr. Vela, Ms. Velazquez, Ms. Wilson of Florida, and Mr. Yarmuth): H.R 7030. A bill to protect the information obtained by the Secretary of Health and Human Services for the placement of unaccompanied alien children from being used for any purpose other than providing safe and secure placements, and for other purposes; to the Committee on the Judiciary. By Mr. ISSA (for himself, Ms. Clarke of New York, Mr. Tonko, Ms. Titus, and Ms. Jackson Lee): H. Res. 1110. A resolution expressing support for the recognition of October 1, 2018, through October 7, 2018, as ``Smart Cities Week'' and supporting the further research, development, and adoption of technology designed to improve efficiency, connectivity, sustainability, and mobility in transportation, infrastructure, and workforce opportunity in American cities and communities; to the Committee on Energy and Commerce, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Ms. BASS (for herself, Mr. Smith of New Jersey, Mr. Rush, Mr. Kind, Mr. McGovern, Mr. Grijalva, Ms. Moore, Ms. Clarke of New York, Mr. Cohen, Mr. Johnson of Georgia, Mr. Carson of Indiana, Ms. Fudge, Mr. Connolly, Mr. Castro of Texas, and Mr. Garrett): H. Res. 1111. A resolution calling on the Government of Cameroon, armed separatist groups, and all citizens to respect human rights and adopt nonviolent approaches to conflict resolution; to the Committee on Foreign Affairs. By Mr. BRAT: H. Res. 1112. A resolution congratulating Mt. Zion Baptist Church upon the occasion of its 160th anniversary; to the Committee on Oversight and Government Reform. By Ms. PINGREE (for herself, Mr. Young of Iowa, Mr. McGovern, and Ms. Jenkins of Kansas): H. Res. 1113. A resolution expressing support for the designation of October 16 as World Food Day; to the Committee on Oversight and Government Reform. By Ms. SHEA-PORTER (for herself and Mr. Engel): H. Res. 1114. A resolution expressing support for designation of the week of October 7, 2018, through October 13, 2018, as ``Latex Allergy Awareness Week''; to the Committee on Oversight and Government Reform.

**Load-Date:** October 31, 2018

**End of Document**



[***FEDERAL REGISTER: Market Facilitation Program Pages 44173 - 44178 [FR DOC # 2018-18842]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T58-DM41-JDG9-Y00Y-00000-00&context=1516831)

Impact News Service

August 30, 2018 Thursday

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**Length:** 5882 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Commodity Credit Corporation 7 CFR Part 1409 RIN 0560-AI42 Market Facilitation ***Program*** AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA. ACTION: Final rule. ----------------------------------------------------------------------- SUMMARY: The Commodity Credit Corporation (CCC) is issuing a new regulation to implement the Market Facilitation ***Program*** (MFP). MFP provides ***payments*** to producers with commodities that have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. This rule specifies the eligibility requirements, ***payment*** calculations, and application procedures for MFP. The details for specific commodities and the relevant application start dates will be announced in subsequent notices of funds availability (NOFAs). DATES: Effective: August 30, 2018. FOR FURTHER INFORMATION CONTACT: Bradley Karmen, Acting Deputy Administrator for Farm ***Programs***, telephone: (202) 720-3175. Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice). SUPPLEMENTARY INFORMATION: Background The imposition of tariffs by other countries on U.S ***agricultural*** products, among other actions, are disrupting marketing of ***agricultural*** commodities and are outside of the control of the ***agricultural*** producers who are being negatively impacted.

In response to the actions of foreign governments, the President has pledged that up to $12 billion in financial assistance will be made available for certain ***agricultural*** commodities under section 5 of the CCC Charter Act (15 U.S.C 714c). This section authorizes CCC to assist in the disposition of surplus commodities and to increase the domestic consumption of ***agricultural*** commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities. MFP ***payments*** constitute one portion of up to $12 billion in financial assistance to farmers. The MFP ***payments*** will aid producers in the disposition of surplus commodities and aid in the expansion of domestic markets or aid in the development of new and additional markets and uses for the specific crops or commodities that are negatively impacted by actions of foreign governments. The MFP ***payments*** will provide producers with financial assistance that gives them the ability to absorb some of the additional costs from having to delay or reorient marketing of the new crop due to the tariff retaliation. The determination of commodities that are included in MFP and specific ***program*** requirements applicable to the commodities, such as enrollment periods, will be announced in the applicable NOFAs published in the Federal Register. The Farm Service Agency (FSA) will administer MFP on behalf of CCC. MFP Description MFP is a temporary assistance ***program*** to producers of covered ***agricultural*** commodities. MFP will be available to producers of those commodities determined by the Secretary to have been adversely affected by the actions of foreign governments. MFP ***payment*** rates and units of measure will be in effect beginning September 4, 2018. The ***payment*** rate under this rule will apply to the first 50 percent of the producer's total production of the selected commodity. On or about December 3, 2018, CCC may announce a second ***payment*** rate, if applicable, that will apply to the remaining 50 percent of the producer's production for the selected commodity. USDA will continue to monitor the situation with respect to adverse effects felt by American commodity producers as a result of trade disruptions and will determine whether additional assistance is necessary at a later date, considering additional available data and updated methodologies. The MFP ***payment*** under this announcement is expected to total about $5 billion. Producer Eligibility Requirements Under MFP, CCC will provide ***payments*** to producers of those commodities determined by the Secretary to have been adversely affected by the retaliatory actions of foreign governments. Participation in other CCC ***programs*** is not a prerequisite to participate in MFP. MFP ***payments*** will be available to those producers who had an ownership interest in the crop on acres that were planted and reported to FSA for the 2018 crop ***year***. Producers who reported such an interest are eligible for MFP ***payments***, provided all other eligibility requirements are met. A verbal or written agreement that precludes a producer from having such an interest may disqualify the producer for MFP. Crop producers must meet all of the following requirements to be eligible for an MFP ***payment***: (1) The producer must have submitted to FSA a form FSA-578, ``Report of Acreage'' (referred to as ``acreage report''), representing the applicable crop ***year*** acreage of the eligible crop as planted, and provide FSA with supporting documentation, as required by the applicable NOFA. For any producer who is not participating in another FSA-administered CCC ***program***, the producer must provide the required crop planting information on the acreage report. If the acreage report deadline for the eligible crop has passed, the producer will follow the established ``late-filed'' acreage reports process; (2) The producer's acreage report must specify the producer's ownership share of both the eligible crop and the number of acres planted to that crop; and (3) The producer must apply for an MFP ***payment*** as announced by CCC. ***Payments*** for commodities other than crops, such as livestock and dairy, will be based on information submitted by producers to FSA as specified in the applicable NOFA. MFP ***payments*** will be available to those producers who had an ownership interest in the commodity during the applicable time period, provided all other eligibility requirements are met. [[Page 44174]] Producers of commodities other than crops must meet all of the following requirements to be eligible for an MFP ***payment***: (1) The producer must complete an MFP application form and provide FSA with supporting documentation, as required by the applicable NOFA, which must specify the producer's ownership interest in the eligible commodity and the amount of the commodity for the applicable time period; and (2) The producer must have ownership in the commodity as described in the applicable NOFA. Adjusted Gross Income and ***Payment*** Limitation Requirements The average adjusted gross income (AGI) limitations as specified in 7 CFR part 1400 apply to MFP. No person or legal entity (excluding a joint venture or general partnership), as defined and determined under 7 CFR part 1400 may receive, directly or indirectly, more than $125,000 in MFP ***payments*** for the 2018 crop ***year*** as specified in the relevant NOFA. The application of the ***payment*** limitation will be specified in the NOFA. For example, certain commodities announced at the same time may have a combined ***payment*** limitation. For the $125,000 annual ***payment*** limit, both indirect and direct benefits are counted by attribution. The regulations in 7 CFR 1400.105 specify how ***payments*** are attributed; the total amount of ***payments*** is attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive ***payments***. In the case of a legal entity, the same ***payment*** is attributed to the direct payee in the full amount and to those that have an indirect interest to the amount of that indirect interest. A person or legal entity is ineligible for ***payments*** if the person's or legal entity's AGI for the applicable ***program*** ***year*** is more than $900,000. If a person with an indirect interest in a legal entity has an average AGI of more than $900,000, the MFP ***payments*** subject to average AGI compliance provisions to the legal entity will be reduced as calculated based on the percent interest of the person in the legal entity receiving the ***payment***. The relevant ***years*** used to calculate average AGI are the 3 consecutive tax ***years*** immediately preceding the ***year*** before the ***payment*** ***year***, which will be the crop ***year***, or the marketing ***year*** for livestock or dairy). For example, for 2018, the relevant ***years*** to calculate AGI are the 2014, 2015 and 2016 tax ***years***. In addition to having a share in the commodity, to be eligible for an MFP ***payment*** for crops that are ``covered commodities'' as defined in 7 CFR 1412.3, each applicant is required to be a person or legal entity who was actively engaged in farming, as provided in 7 CFR part 1400, in the crop ***year*** for which the crop is included in MFP. ***Payment*** Calculations Subject to any unique circumstance applicable to a specific commodity as specified in the applicable NOFA, the MFP ***payment*** for a commodity will be calculated as follows: Production x Share x MFP ***Payment*** Rate The share is the applicant's share of the commodity. The MFP ***payment*** rate will be calculated for the specific commodity when it becomes eligible for MFP and will be announced in the applicable NOFA. The amount of production is the applicant's actual production for the commodity. Specific production requirements for any commodity will be identified in the relevant NOFA. For example, for livestock, production may be the number of head of livestock during specified dates. MFP General Requirements General requirements that apply to other CCC ***programs*** also apply to MFP including compliance with the provisions of 7 CFR part 12, ``Highly Erodible Land and Wetland Conservation,'' during the ***year*** for which assistance is made available. Foreign persons are not eligible for MFP ***payments***. Federal, State, and local governments are not eligible for MFP ***payments***. There is no requirement to have crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance ***Program*** (NAP) to be eligible for participation in MFP. Appeal regulations specified in 7 CFR parts 11 and 780 apply. MFP commodity eligibility and other matters of general applicability that are not in response to, or result from, an individual set of facts in an individual participant's application for ***payment*** are not matters that can be appealed. Eligible Crop Acreage Most eligible crop producers will have already submitted the required acreage report to FSA as part of their participation in various FSA and CCC ***programs***. The regulation in 7 CFR part 718 requires producers to report to FSA their acreage for various crops and commodities, including the number of acres that were planted in the United States for the crop or commodity and their percentage share of the crop for the reported acreage for the crop ***year***. Therefore, FSA already has some of the information relevant to MFP as previously reported to FSA for many producers; as noted above other producers who apply for MFP will also need to submit their information on the acreage report. If there were any errors in the previously submitted acreage report, the producer may go through the established FSA process to correct the reported information. Any such requests for correction must be made by the date specified in the relevant NOFA and require approval by FSA. Application Process To apply for MFP, each applicant must submit a complete valid MFP application either in person, by mail, email, or facsimile to an FSA county office. For many crops, FSA possesses the producer share data from the applicable crop ***year***'s acreage report for producers who participate in other FSA-administered CCC ***programs***. For crops, the applicant's crop share interest on an MFP application cannot be greater than the crop share interest as reported on the acreage report. FSA will verify and confirm the applicant's crop share interest reported on the MFP application by comparing it to the applicant's crop share interest as reported on that farm's acreage report for the applicable crop ***year***. For livestock, the application will include number of head (production) and ownership share information as provided in the applicable NOFA. For dairy, the application will include the amount of historical production as provided in the applicable NOFA. If FSA decides it is necessary to confirm the applicant's interest in the commodity, the applicant will be required to submit evidence upon request, such as seed receipts, custom harvesting receipts, bale gin lists, or purchase or sales receipts. In addition, the applicant will need to provide supporting documentation for the amount of production as specified in the relevant NOFA. Process for Evaluation of MFP Applications and Approval of ***Payments*** FSA will require producer specific documentation of the amount of production, as applicable. When there are multiple eligible applicants for a farm, FSA will approve each application that is filed for MFP when all the following have occurred: [[Page 44175]] (1) The landlord, tenant, and sharecropper have signed and submitted their own MFP application with the correct share interest in the crop, livestock, or dairy production on the farm; and (2) The applicant provided a copy of the lease agreement, if determined necessary and requested by the FSA county committee. Provisions Requiring Refund to CCC In the event that any application for an MFP ***payment*** resulted from erroneous information reported by the producer, the ***payment*** will be recalculated, and the participant must refund any excess ***payment*** to CCC; if the error was the applicant's error, the refund must include interest to be calculated from the date of the disbursement to the MFP participant. If, for whatever reason, FSA determines that the applicant misrepresented either the total amount or producer's share of the crop, head of livestock, or production, or if the MFP ***payment*** would exceed the participant's ***payment*** based on correct amount of production and share, the application will be disapproved and the full MFP ***payment*** for that crop or livestock for that participant will be required to be refunded to CCC with interest from the date of disbursement. If any corrections to the ownership interest in the crop are made to the acreage report after the MFP application deadline, and would have resulted in a lower MFP ***payment***, the applicant will be required to refund the difference with interest from date of disbursement. Effective Date and Notice and Comment The Administrative Procedure Act (5 U.S.C 553) provides that the notice and comment and 30-day delay in the effective date provisions do not apply when the rule involves specified actions, including matters relating to grants or benefits. This rule governs the ***program*** for ***payments*** to certain commodity producers and thus falls within that exemption. Accordingly, this rule is effective upon publication in the Federal Register. Further, the opportunity for notice and comment provided in this document is limited to the PRA requirements for the information collection activities. Executive Orders 12866, 13563, 13771 and 13777 Executive Order 12866, ``Regulatory Planning and Review,'' and Executive Order 13563, ``Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 13777, ``Enforcing the Regulatory Reform Agenda,'' established a federal policy to alleviate unnecessary regulatory burdens on the American people. The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, ``Regulatory Planning and Review,'' and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full cost benefit analysis is available on regulations.gov Executive Order 13771, ``Reducing Regulation and Controlling Regulatory Costs,'' requires that in order to manage the private costs required to comply with Federal regulations that for every new significant or economically significant regulation issued, the new costs must be offset by the elimination of at least two prior regulations. The OMB guidance in M-17-21, dated April 5, 2017, specifies that ``***transfer*** rules'' are not covered by Executive Order 13771. ***Transfer*** rules are Federal spending regulatory actions that cause only income ***transfers*** between taxpayers and ***program*** beneficiaries. Therefore, this is considered a ***transfer*** rule by OMB and is not covered by Executive Order 13771. Cost Benefit Analysis Summary The amount of MFP ***payments*** for each commodity is intended to offset some of the adverse impact of losing market demand due to trade issues, for example, retaliatory tariffs imposed by other countries. The ***payment*** rate per unit (for example, bushel, pound, hundredweight, or animal) for each commodity will reflect the severity of the impact of trade disruptions to that commodity and the commodity-specific period of adjustment to new trade patterns. For example, the ***payment*** rate for a commodity that is heavily dependent on export markets, such as soybeans, will be higher than a commodity for which most production is marketed domestically. USDA forecasted those impacts based on the percentage of 2017 U.S production of each commodity that was exported in 2017, the share of exports affected by trade disruptions, and other variables such as current stocks-to-use ratio for crop commodities. The expected cost of initial MFP ***payments*** is approximately $5 billion. The majority of ***payments*** will go to soybean producers, because USDA has determined that soybeans have been most severely impacted by recent trade actions based on analysis of exports as a share of total production, the time it will take to adjust to new trade patterns, the observed price impact, and the current stocks-to-use ratio. The ***payments*** represent the total benefits (***payments***) to producers, which is the total cost to the government for MFP. Regulatory Flexibility Act The Regulatory Flexibility Act (5 U.S.C 601-612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121), generally requires an agency to prepare a regulatory flexibility analysis of any rule whenever an agency is required by the Administrative Procedure Act or any other law to publish a proposed rule, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule is not subject to the Regulatory Flexibility Act because CCC is not required by Administrative Procedure Act or any law to publish a proposed rule for this rulemaking. Environmental Review The environmental impacts of this final rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and the FSA regulation for compliance with NEPA (7 CFR part 799). While OMB has designated this rule as ``economically significant'' under Executive Order 12866, ``. . . economic or social effects are not intended by themselves to require preparation of an environmental impact statement'' (40 CFR 1508.14), when not interrelated to natural or physical environmental effects. As previously stated, the intent of MFP is to compensate producers who have suffered post-production market losses. The limited discretionary aspects of MFP (for example, determining AGI and ***payment*** limitations) were designed to be consistent with established FSA and CCC ***programs***. These discretionary aspects do not have the potential to impact the human environment as they are administrative, and MFP only takes effect after the commodity has been produced, harvested, and sold. [[Page 44176]] Accordingly, the following Categorical Exclusions in 7 CFR part 799.31 apply: Sec. 799.31(b)(6)(iii) applies to financial assistance to supplement income, manage the supply of ***agricultural*** commodities, or influence the cost and supply of such commodities; Sec. 799.31(b)(6)(iv) applies to individual farm participation in FSA ***programs*** where no ground disturbance or change in land use occurs as a result of the proposed action or participation; and Sec. 799.31(b)(6)(vi) applies to ``safety net'' ***programs*** administered by FSA. No Extraordinary Circumstances (Sec. 799.33) exist. As such, the implementation of MFP and the participation in MFP do not constitute major Federal actions that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, CCC will not prepare an environmental assessment or environmental impact statement for this regulatory action and this rule serves as documentation of the programmatic environmental compliance decision for this federal action. Executive Order 12372 Executive Order 12372, ``Intergovernmental Review of Federal ***Programs***,'' requires consultation with State and local officials that would be directly affect by proposed Federal financial assistance. The objectives of the Executive Order are to foster an intergovernmental partnership and a strengthened Federalism, by relying on State and local processes for State and local government coordination and review of proposed Federal Financial assistance and direct Federal development. For reasons specified in the final rule related notice to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), the ***programs*** and activities within this rule are excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials. Executive Order 12988 This rule has been reviewed under Executive Order 12988, ``Civil Justice Reform.'' This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The rule will not have retroactive effect. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR parts 11 and 780 must be exhausted. Executive Order 13132 This rule has been reviewed under Executive Order 13132, ``Federalism.'' The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government, except as required by law. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required. Executive Order 13175 This rule has been reviewed for compliance with Executive Order 13175, ``Consultation and Coordination with Indian Tribal Governments.'' Executive Order 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal government and Indian tribes. FSA and CCC have assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that required tribal consultation under Executive Order 13175. If a tribe requests consultation, FSA and CCC will work with USDA Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions, and modifications are not expressly mandated by Congress. The Unfunded Mandates Reform Act of 1995 Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 ***year*** for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA. SBREFA This rule is a major rule under SBREFA. SBREFA normally requires that an agency delay the effective date of a major rule for 60 days from the date of publication to allow for Congressional review. Section 808 of SBREFA allows an agency to make a major regulation effective immediately if the agency finds there is good cause to do so. The beneficiaries of this rule have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Therefore, FSA and CCC find that it would be contrary to the public interest to delay the effective date of this rule because it would delay implementation of MFP. The regulation needs to be effective to provide adequate time for producers to submit applications to request ***payments***. Therefore, this rule is effective on the August 30, 2018. Federal Assistance ***Programs*** The title and number of the Federal Domestic Assistance ***Program*** found in the Catalog of Federal Domestic Assistance to which this rule applies is TBD--Market Facilitation ***Program*** and number. Paperwork Reduction Act In accordance with the Paperwork Reduction Act of 1995, the following new information collection request that supports MFP was submitted to OMB for emergency approval. OMB approved the 6-month emergency information collection. List of Subjects in 7 CFR Part 1409 ***Agriculture***, ***Agricultural*** commodities, Crops, Reporting and recordkeeping requirements. For the reasons discussed in the preamble, CCC adds 7 CFR part 1409 to read as follows: PART 1409--MARKET FACILITATION ***PROGRAM*** Sec. 1409.1 Applicability. 1409.2 Definitions. 1409.3 Producer eligibility requirements. 1409.4 Time and method of application. 1409.5 Calculation of ***payments***. 1409.6 Eligibility subject to verification. 1409.7 Miscellaneous provisions. Authority: 15 U.S.C 714b and 714c. Sec. 1409.1 Applicability. This part specifies the eligibility requirements and ***payment*** calculations for the Market Facilitation ***Program*** (MFP). MFP will provide ***payments*** with [[Page 44177]] respect to commodities which have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. The determination of eligible commodities and any specific ***program*** requirements for a commodity will be specified in a notice of funding availability published by CCC in the Federal Register. Sec. 1409.2 Definitions. The following definitions apply to MFP. The definitions in part 718 of this title and parts 1400, and 1421 of this section apply, except where they conflict with the definitions in this section. Application means the MFP application form. Commodity means an ***agricultural*** commodity produced in the United States intended to be marketed for commercial production that has been designated as eligible for ***payments*** under MFP. Crop means the harvested production of a commodity. Crop ***year*** means: (1) For insurable crops, the crop ***year*** as defined according to the applicable crop insurance policy; and (2) For NAP covered crops, the crop ***year*** as provided in part 1437 of this chapter. NOFA means a notice of funds availability published by CCC in the Federal Register that specifies terms and conditions of MFP that are applicable to a specific commodity. Producer means a livestock producer, dairy producer, or a producer of a crop as defined in Sec. 718.2 of this title. Sec. 1409.3 Producer eligibility requirements. (a) To be eligible for an MFP ***payment***, a producer must: (1) Meet all of the requirements in this part and the NOFA that is applicable to the commodity; (2) Be a: (i) Citizen of the United States; (ii) Resident alien, which for purposes of this part means ``lawful alien'' as defined in part 1400 of this chapter; (iii) Partnership of citizens of the United States; or (iv) Corporation, limited liability corporation, or other organizational structure organized under State law; (3) Have an ownership interest in the commodity. (b) For eligible crops, a producer's share in the crop must be reported for the applicable crop ***year*** on form FSA-578, Report of Acreage, on file in the FSA county office as of the acreage reporting deadline, or no later than the date specified in the relevant NOFA. For crops that are covered commodities under Sec. 1412.3 of this chapter, each applicant must be a person or legal entity who was actively engaged in farming, as provided in part 1400 of this chapter, in the crop ***year*** for which the crop is included in MFP. (c) For livestock and dairy, a producer must have had an ownership interest in livestock or dairy production during the applicable time period established by CCC in the applicable NOFA. Sec. 1409.4 Method of application. (a) To apply for an MFP ***payment***, the producer must submit an MFP application on the form designated by CCC to an FSA county office. (b) In the event that the producer does not submit documentation in response to any request of FSA to support the producer's application or documentation furnished does not show the producer had ownership in the commodity as claimed, the application for that commodity will be disapproved. (c) A request for an MFP ***payment*** will not be approved by CCC until all the applicable eligibility provisions have been met and the producer has submitted all required forms and supporting documentation. In addition to the completed application form, if the following forms and documentation are not on file in the FSA county office or are not current for the applicable crop ***year*** of the crop or applicable ***year*** for the commodity for which MFP has been announced as available, the producer must also submit: (1) A farm operating plan for an individual or legal entity as provided in part 1400 of this chapter; (2) An average adjusted gross income statement for the applicable ***year*** entity as provided in part 1400 of this chapter; (3) A highly erodible land conservation (sometimes referred to elsewhere as HELC) and wetland conservation certification as provided in part 12 of this title; (4) For crops, an acreage report for the applicable crop ***year*** as provided in part 718 of this title; and (5) Verifiable records that substantiate the amount of production as specified in the relevant NOFA. Sec. 1409.5 Calculation of ***payments***. The ***payment*** under this rule will be calculated by multiplying fifty percent of the total production of the commodity times the MFP ***payment*** rate for that commodity that is in effect when the ***payment*** is made times the producer's eligible share of the commodity. On or about December 3, 2018, CCC may announce a second ***payment*** rate, if applicable, that will apply to the remaining 50 percent of the producer's production for the selected commodity. Sec. 1409.6 Eligibility subject to verification. (a) Producers who are approved for participation in MFP are required to retain documentation in support of their application for 3 ***years*** after the date of approval. (b) Producers must submit documentation to CCC as requested to substantiate an application. (c) Producers receiving ***payments*** or any other person who furnishes such information to CCC must permit authorized representatives of USDA or the General Accounting Office during regular business hours to inspect, examine, and to allow such representatives to make copies of such books, records or other items for the purpose of confirming the accuracy of the information provided by the producer. Sec. 1409.7 Miscellaneous provisions. (a) If an MFP ***payment*** resulted from erroneous information provided by a producer, or any person acting on their behalf, the ***payment*** will be recalculated and the producer must refund any excess ***payment*** to CCC with interest calculated from the date of the disbursement of the ***payment***. (b) The refund of any ***payment*** to CCC is in addition to liability under any other provision of law including, but not limited to: 18 U.S.C 286, 287, 371, 641, 651, 1001, and 1014; 15 U.S.C 714; and 31 U.S.C 3729. (c) The regulations in parts 11 and 780 of this title apply to determinations under this part. (d) Any ***payment*** under this part will be made without regard to questions of title under State law and without regard to any claim or lien against the commodity or proceeds from the sale of the commodity. (e) The $900,000 average AGI limitation provisions in part 1400 of this chapter relating to limits on ***payments*** for persons or legal entities, excluding joint ventures and general partnerships, apply to each applicant for MFP. The average AGI will be calculated for a person or legal entity based on the 3 complete tax ***years*** that precede the ***year*** for which the ***payment*** is made (for the 2018 crop ***year*** or marketing ***year*** for livestock and dairy the tax ***years*** are 2014, 2015, and 2016). (f) No person or legal entity, excluding a joint venture or general partnership, as determined by the rules in part 1400 of this chapter may receive, directly or indirectly, more than $125,000 in ***payments*** as specified in the relevant NOFA. [[Page 44178]] (g) The direct attribution provisions in part 1400 of this chapter apply to MFP. Under those rules, any ***payment*** to any legal entity will also be considered for ***payment*** limitation purposes to be a ***payment*** to persons or legal entities with an interest in the legal entity or in a sub-entity. If any such interested person or legal entity is over the ***payment*** limitation because of direct ***payment*** or their indirect interests or a combination thereof, then the ***payment*** to the actual payee will be reduced commensurate with the amount of the interest of the interested person in the payee. If anyone with a direct or indirect interest in a legal entity or sub-entity of a payee entity exceeds the AGI levels that would allow a producer to directly receive an MFP ***payment***, then the MFP ***payment*** to the actual payee will be reduced commensurately with that interest. (h) For the purposes of the effect of lien on eligibility for Federal ***programs*** (28 U.S.C 3201(e)), CCC waives the restriction on receipt of funds under MFP but only as to beneficiaries who, as a condition of such waiver, agree to apply the MFP ***payments*** to reduce the amount of the judgment lien. (i) The provisions of Sec. 718.304 of this title, ``Failure to Fully Comply,'' do not apply to this part. Richard Fordyce, Administrator, Farm Service Agency. Robert Stephenson, Executive Vice President, Commodity Credit Corporation. [FR Doc. 2018-18842 Filed 8-28-18; 8:45 am] BILLING CODE 3410-05-P

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[***How helping poorer US consumers is set to hammer the soft drinks industry - Consumer Trends***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RPM-TV61-JDNW-43TY-00000-00&context=1516831)

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**Body**

Carbonated soft drinks companies are used to navigating choppy waters, especially in the US where sales have been declining since 2003, according to GlobalData. However, a proposed revamp of the Supplemental Nutrition Assistance ***Program*** (SNAP), which provides foods and beverages to poor Americans, could end up delivering a new blow to soft drinks that the industry did not anticipate.

In mid-February, the Trump administration shocked the fast-moving consumer goods world when it unveiled a controversial new SNAP revamp, which promised to cut the federal budget deficit by about US$21bn over the next decade. The new plan seeks to replace some of the cash ***payments*** currently made via credits to Electronic Benefit ***Transfer*** (EBT) cards with boxes of foods and beverages to be provided on a regular basis via a distribution system, the details of which have yet to be revealed.

The "American Harvest Box" is expected to be filled with foods that are selected based on their nutritional value and economic benefits to US farmers. Shelf-stable milk, pasta, ready-to-eat cereals, peanut butter, beans, canned fruits and vegetables are expected to make the Harvest Box cut.

Carbonated soft drinks are not.

Harvest boxes will be aimed at low-income Americans receiving at least $90 per month in SNAP benefits, a level that comprises over 80% of current SNAP recipients. The ***programme*** has a huge footprint, with over 45m Americans participating in it, though participant numbers tend to bounce around depending upon prevailing economic conditions. SNAP accounts for about 80% of the Department of ***Agriculture***'s (USDA) annual budget.

Food makers and retailers appear to have been surprised by such a proposal coming from an administration widely viewed as business-friendly. That is the way it played out on Wall Street, with shares of dollar stores like Dollar General and Dollar Tree dipping after the announcement. SNAP transactions are believed to make up around 5% of dollar store sales, according to Gordon Haskett Research Advisors, business that could be lost in a SNAP revamp. Retail giant Walmart is also exposed as it alone is estimated to take in about one-fifth of all SNAP spending, according to a recent CNBC report.

Soft drink makers bear a unique degree of risk for any proposed revamp of SNAP. According to a November 2016 Nutritional Assistance ***Programme*** Report by the USDA that examined actual point-of-sale transaction data from 2011 from a "leading grocery retailer" in the US, the number one item purchased by SNAP households was soft drinks.

For a ***programme*** that professes to provide "supplemental nutrition", it is hard to justify why soft drinks should be at the top of the heap, especially in a climate that favours hiking taxes on soft drinks high in sugar content to shift purchase behaviour towards healthier options.

Purchase data seems to indicate that SNAP recipients are especially heavy purchasers of soft drinks. The top packaging configuration of soft drinks favoured by SNAP households was for 12-, 15-, and 18-count multi-packs, package types conducive to pantry-loading and ones that tend to be associated with heavy users. Occasional users of soft drinks are unlikely to be filling their pantries with 12, 15, or 18 packs.

Accounting for $357.7m in SNAP household expenditures in 2011, soft drinks alone tallied 5.4% of all SNAP household spending on packaged food and drink then. The larger category of 'sweetened drinks', which combines soft drinks with other categories like fruit juices, energy drinks and sweetened teas, totalled $608.7m in SNAP household spending in 2011. This represented 9.3% of all SNAP household spending on food and beverage - nearly $1 in every $10 spent. Upon hearing these numbers when they were first revealed in 2017, Marion Nestle, Professor of nutrition, food studies & public health at New York University, remarked to The New York Times that "SNAP is a multi-billion-dollar taxpayer subsidy of the soda industry."

Soft drinks companies would probably disagree with that harsh assessment, but they would also probably be the last to believe that the Trump administration (of all administrations) might be the one to throw cold water on soft drink purchases with SNAP money. Efforts to remove soft drinks from SNAP are nothing new and date back more than a decade as at least nine states including Maine and Minnesota have tried to restrict the purchase of sweetened beverages with SNAP money. States alone cannot make that call; only the USDA can and the agency has thus far denied every official request to exclude soft drinks or other sweetened beverages from the ***programme***.

The USDA's own detailed research may have inadvertently revealed the demographic composition of the US soft drink industry's heaviest users.

These details matter, because the Trump administration (regardless of the seriousness of the American Harvest Box proposal) may have teed up a debate on what types of food or drink really belong in the SNAP ***programme***. This re-examination could prove costly for soft drinks as the precedent has already been set that a more restrictive stance towards sweetened drinks can shift consumer purchase behaviour.

In October 2009, the Supplemental Nutrition ***Program*** for Women, Infants & Children - better known as WIC - phased in a major restriction on juice purchases to try to produce better health outcomes. The new rules cut the permissible level of juice purchases by parents on behalf of children aged 1-to-4 to 128oz per month, down from the prior level of 288oz. The rationale for the cut came from data showing that excessive consumption of 100% juice was associated with a range of negative health outcomes including increased risk of weight gain, dental caries and reduced consumption of fibre.

This cut of more than 50% created an ideal laboratory to study if a change in the rules would actually lead to a change in shopping and consumption behaviour. A Yale School of Public Health study on the effects of reduced juice allowances for the WIC ***programme*** published in 2013 took an in-depth look at the before and after effects of the rule change. Examining scanner sales data from a New England supermarket chain, the study found that juice purchases through the WIC ***programme*** declined by 23.5% after the reduced juice allowance was phased in. Juice purchases made with non-WIC funds (one easy work-around to the new WIC rules) did increase, but the 13.6% gain here only partly compensated for the WIC decline.

The WIC ***programme***'s success in steering consumers away from juice may embolden SNAP critics that have been trying for ***years*** to cut or eliminate soft drink purchases within the ***programme***. Their efforts have fallen flat so far, partly because of lobbying efforts on behalf of the soft drinks industry over time. According to the Center for Responsible Politics, PepsiCo was one of nine food processing and sales organisations that lobbied the US government to prevent restrictions on what may be purchased with SNAP money in 2012. Kraft Foods and The Coca-Cola Co have also lobbied against restrictive legislation.

If the Trump administration's proposed changes to SNAP generate the public debate that they deserve, everything pertaining to SNAP may be on the table, including purchases of soft drinks. That could lead to a whole new set of problems for soft drinks.

**Load-Date:** February 21, 2018

**End of Document**



[***USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TH9-3YP1-JDG9-Y0PM-00000-00&context=1516831)

Impact News Service

October 16, 2018 Tuesday

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**Length:** 330 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

The U.S Department of ***Agriculture*** (USDA) will begin accepting disaster assistance ***program*** applications on June 4 from ***agricultural*** producers who suffered livestock, honeybees, farm-raised fish and other losses due to natural disasters.

USDA’s Farm Service Agency (FSA) is reopening the application period for two disaster assistance ***programs*** in response to statutory changes made by Congress earlier this ***year***.

Beginning June 4, FSA will accept new applications for losses for ***calendar*** ***year*** 2017 or 2018 filed under the Livestock Indemnity ***Program*** (LIP) or Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish ***Program*** (ELAP). Producers who already submitted applications and received decisions on their applications for these ***years*** do not need to file again, but they can reapply if they have additional losses or their application was disapproved because it was filed late.

In February, Congress passed the Bipartisan Budget Act of 2018, which made several changes to these two disaster ***programs***, including:

    Removing ELAP’s $20 million fiscal ***year*** funding cap, enabling FSA to pay producers’ 2017 applications in full and their 2018 applications as soon as they are approved.     Removing the per-person and legal entity annual ***program*** ***payment*** limitation of $125,000 for LIP for 2017 and future ***years***. (The income limitation applies as it did before, meaning producers with an adjusted gross income of more than $900,000 are not eligible.)     Changing LIP to allow producers to receive a ***payment*** for injured livestock that are sold for a reduced price due to an eligible event. Previously, the ***program*** only covered financial loss for livestock death above normal mortality.

Producers interested in LIP or ELAP should contact their local USDA service center. To apply, producers will need to provide verifiable and reliable production records and other information about their operation.

**Load-Date:** October 31, 2018

**End of Document**



[***EU budget chief to issue revised budget plan for 2019***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TVP-DDH1-DXCW-C164-00000-00&context=1516831)

dpa-AFX International ProFeed

November 30, 2018 Friday 7:01 AM GMT

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**Length:** 230 words

**Body**

BRUSSELS (dpa-AFX) - EU Budget Commissioner Guenther Oettinger is set to present on Friday a revised EU budget for 2019, after negotiators fell short of a compromise last week. Talks broke broke down on November 19 after EU member states and the European Parliament failed to reach an agreement. In such cases of deadlock, the European Commission must submit a fresh proposal. The budget covers everything from ***agricultural*** subsidies and support for poorer regions to research and education ***programmes***. Most money flows back to member states in the European Union. Negotiations are often fraught affairs, as member states typically seek to limit expenditures, while EU lawmakers usually advocate more spending. However, the difference between the two initial proposals was modest. The parliament had called for a budget of 149.3 billion euros (170.2 billion dollars) in ***payments***, just slightly more than the total agreed to by member states of 148.2 billion euros. According to EU sources, one of the main disagreements was whether unused funds from fiscal ***year*** 2018 could be ***transferred*** to 2019. Some EU member states worried this would set the wrong precedent. If negotiators cannot agree on a new budget by January 1, the EU will have to revert to emergency budgets, in which spending is assessed pro rata each month with the last budget as a basis. Copyright dpa

**Load-Date:** November 30, 2018

**End of Document**



[***Good Morning! First view to the Poland newsday; ON THE DOCKET***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:64R9-6WS1-JCG5-H3P5-00000-00&context=1516831)

PAP Market Insider

March 26, 2018 Monday 7:51 AM CET

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**Length:** 1063 words

**Byline:** Bokszczanin Marcin and Tyrpa Glenn

**Highlight:** Poland morning markets and business briefing 26-03-2018

**Body**

ON THE DOCKET

Moody's forewent a scheduled review of the Polish sovereign rating Friday, thus leaving it at A2 with stable outlook.

===> MACRO DATA

10:00 - GUS - Unemployment rate, labor productivity, new industrial orders et al. (2/2018)

===> EARNINGS RELEASES

- CCC - Consolidated Annual Report (2017)

- CIECH - Consolidated Annual Report (2017)

===> TOP EVENTS

09:00 - TORPOL - Presents 2017 financial results

09:30 - MILLENNIUM - Webcast of Ordinary General Meeting of Bank Millennium

10:30 - MinFin - ***Transfer*** Prices Forum

10:30 - ECHO - presents 2017 financial results

10:30 - SESCOM - Sescom presents its financial results and business prospects

11:00 - EY - Press Conference - Employer Branding Institute and EY present a report on working in Poland

13:00 - Press Conference - ***agriculture*** minister Krzysztof Jurgiel attends a conference on the current problems of the meat processing industry

MARKETS AT LAST SIGHTING

The Polish zloty will get no respite in the coming days and may test EUR/PLN 4.25 level, while T-bonds should stay at current levels short-term after taking some cheer from FinMin's Friday debt supply announcement, according to local players.

Polish stocks will open amid mixed trade on Asian markets and a strongly negative close in the US on Friday. Polish stocks followed global trends into the red Friday, but local indexes did manage to outperform many global peers. The large-cap WIG20 index closed down 0.74% to 2,257 pts. Core European markets closed in the red, some of them deeply so.

CORPORATE ACTIONS

09:30 - MILLENNIUM - AGM

ON THE HORIZON

Broader issues we'll be following in the near-term include (last major update: 2018-03-21):

PKN ORLEN-LOTOS MERGER - Poland has reheated oft-mentioned hopes to consolidate domestic fuel refiners PKN Orlen and Lotos. Orlen inked a letter of intent with the state to buy its 53% stake of Lotos. No details for structure of the deal or extent of consolidation have yet been set. The deal could face blow-back from unions as well as local politics in Lotos' seat and faces an anti-trust review either in Poland or from the EU.

PENSION REFORM - Poland has unveiled a plan for employer-sponsored pensions PPK to cover as many as 11 mln workers and potentially direct as much as PLN 15 bln annually to capital markets from 2021, including PLN 6 bln already in 2019. See our review of legislation: 2018-03-05 Update: LEGISLATIVE WATCH: Poland crafts employer-sponsored pension ***program*** PPK. Poland is going slow on the fate of OFE pension funds. The last official plan called for a split of the funds, with 25% heading to a state reserve fund and 75% being converted to privately owned pension funds.

HOUSING ***PROGRAM*** - Plans for a rent-to-own housing ***program*** tilted to benefit larger and lower income families have been called the government's new 'flagship ***program***' supervised directly by PM Mateusz Morawiecki. Poland seeks to launch construction of ca. 100k apartments under the ***program*** in 2018-2019 according to official declarations, which some market experts consider unrealistic.

INVESTMENT RECOVERY - Poland's investment recovery has gathered traction on EU-funded public investments, but it remains to be seen if the private sector will play a significant role. Concerns remain what impact mounting labor shortages could have on investment growth, either creating bottlenecks in investment spending or motivating industry to improve labor efficiency.

LABOR MARKET - Labor market conditions become a policy maker concern as a possible barrier to business and investments as well as a source of price pressure. A reduction in the retirement age and the increase in family benefits have raised concern over the labor participation rate, while immigration, especially from the Ukraine, has mitigated.

FX-MORTGAGE REGULATION - Poland reheated Parliamentary work on a system of relief for distressed homeowners with FX-denominated mortgages. Fresh signals appeared along the way that Poland could consider increasing benefits for FX-mortgage holders at the cost of higher premiums for banks.

TAX COLLECTION EFFORTS - Poland continues to implement tax tightening measures. The most recent move on VAT is a mandatory standard audit file. The next move is optional split VAT ***payments*** to be introduced this ***year*** and likely made mandatory sometime thereafter, likely starting with sectors now subject to reverse VAT charge. The gain on tax receipts has been substantial, both on strong economic growth and improved collection, with some disagreement between economists and the Finance Ministry on relative importance of the two factors.

EU RULE OF LAW PROCEEDING - Rule of law proceedings against Poland, focused largely on judicial reform, have made little notable progress. Strife appears to have eased of late, albeit without overt gesture towards concessions from either side.

POLAND & EU FINANCIAL FRAMEWORK POST-2020 - Poland's efforts to secure strong funding under the next EU budget horizon remain burdened by Brexit funding strains and the threat funding could be tied to rule of law compliance. Poland may increasingly be forced to choose between defending cohesion funds or the CAP farm ***program*** as the calculus of ***program*** support shifts within the EU. Poland has signaled a readiness to pay higher premiums into the common European budget in return for retaining its current level of funding under both ***programs***.

BANKING SECTOR CONSOLIDATION - Banking sector consolidation remains a possibility. Pekao and Alior, both part owned by state insurer PZU, are talking over various forms of cooperation. Hopes for a merger between state controlled banks PKO BP and Pekao have been floated. Raiffeisen remains under regulator demand to sell its Polish unit. Reports surface sporadically that BCP Millennium's Polish unit could be in play. Any change in ownership for Germany's Commerzbank would hit its Polish unit mBank. Recent signals also suggest the Polish Post may seek a buyer for a stake in its banking unit Bank Pocztowy.

COAL SECTOR - Poland's restructured coal mining group PGG, partially owned by Polish power firms after a rescue, remains in the black after initial concerns, but production and logistics problems have led to shortages on the market and the need for imports. Union demands have cropped up along the way. Listed shareholders include power firms PGE, Enea, Energa and listed natgas & power group PGNiG.

maf/

**Load-Date:** February 25, 2022

**End of Document**



[***Washington: PUBLIC BILLS AND RESOLUTIONS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R72-3W41-JDG9-Y2K6-00000-00&context=1516831)

Impact News Service

December 19, 2017 Tuesday

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**Length:** 852 words

**Body**

Washington: The Library of Congress, The Government Washington: of USA has issued the following house proceeding:

 Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows: By Mr. COSTELLO of Pennsylvania: H.R 4666. A bill to amend the Public Health Service Act to provide for a Patient and State Stability Fund; to the Committee on Energy and Commerce. By Mr. FRELINGHUYSEN: H.R 4667. A bill making further supplemental appropriations for the fiscal ***year*** ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and ***calendar*** ***year*** 2017 wildfires, and [[Page H10180]] for other purposes; to the Committee on Appropriations, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. CHABOT (for himself and Ms. Velazquez): H.R 4668. A bill to amend the Small Business Act to provide for the establishment of a enhanced cybersecurity assistance and protections for small businesses, and for other purposes; to the Committee on Small Business. By Mr. COHEN (for himself and Mr. Jones): H.R 4669. A bill to ensure independent investigations by allowing judicial review of the removal of a special counsel, and for other purposes; to the Committee on the Judiciary.

By Mr. CONNOLLY (for himself and Mr. Katko): H.R 4670. A bill to amend title 38, United States Code, to provide authority for certain members of the Armed Forces to ***transfer*** entitlement to Post-9/11 Educational Assistance to their dependents; to the Committee on Veterans' Affairs. By Mr. DUFFY (for himself and Mr. Welch): H.R 4671. A bill to assist and incentivize organic ***agriculture*** by expanding its access to, and eligibility for, Federal rural development and ***agricultural*** loan ***programs***; to the Committee on ***Agriculture***. By Ms. ESHOO (for herself, Mr. Pallone, and Mrs. Torres): H.R 4672. A bill to further deployment of Next Generation 9-1-1 services to enhance and upgrade the Nation's 9-1-1 systems, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Ms. ESTY of Connecticut (for herself, Mrs. Walorski, Mrs. Mimi Walters of California, and Mrs. Bustos): H.R 4673. A bill to create opportunities for women in the aviation industry; to the Committee on Transportation and Infrastructure. By Mrs. LOVE: H.R 4674. A bill to amend the Congressional Accountability Act of 1995 to require Members of Congress to reimburse the Treasury for ***payments*** of awards and settlements under such Act which are made in connection with claims of sexual harassment committed by the Members, and for other purposes; to the Committee on House Administration. By Mr. MARSHALL (for himself, Mr. Lipinski, Mr. Smith of Texas, and Mr. Weber of Texas): H.R 4675. A bill to amend the Energy Policy Act of 2005 to provide for a low-dose radiation basic research ***program***; to the Committee on Science, Space, and Technology. By Mr. McCAUL: H.R 4676. A bill to direct the Secretary of the Treasury to prescribe regulations to expand sanctions against persons owned or controlled by Iran's Revolutionary Guard Corps, and for other purposes; to the Committee on Foreign Affairs. By Mr. MOULTON (for himself and Mr. Kelly of Mississippi): H.R 4677. A bill to improve certain ***programs*** of the Small Business Administration to better assist small business customers in accessing broadband technology, and for other purposes; to the Committee on Small Business. By Ms. NORTON: H.R 4678. A bill to permit the District of Columbia to make ***payments*** pursuant to contingency fee arrangements entered into by the Attorney General of the District of Columbia for the provision of legal services in claims and other legal mattes affecting the interests of the District of Columbia, and for other purposes; to the Committee on Oversight and Government Reform. By Mr. REED (for himself and Mr. Reichert): H.R 4679. A bill to amend title XVIII of the Social Security Act to provide for improvements to coverage and ***payment*** under the Medicare ***program*** for new drugs, devices, and technology; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. By Mr. POLIS: H. Con. Res. 97. Concurrent resolution Directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R 1; to the Committee on Ways and Means, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

**Load-Date:** December 20, 2017

**End of Document**



[***Register of Commission documents: Annex to Commission Implementing Decision adopting a Cross-border cooperation Action Programme Serbia – Bosnia and Herzegovina for the years 2018, 2019 and 2020, EUR 5 800 000 Document date: 2018-10-03 COM-AC\_DR(2018)D058659-01 Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TKW-0M21-JDG9-Y24V-00000-00&context=1516831)

Impact News Service

October 29, 2018 Monday

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**Length:** 3636 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

ANNEX 1

CROSS-BORDER COOPERATION ACTION ***PROGRAMME*** SERBIA – BOSNIA AND HERZEGOVINA FOR THE ***YEARS*** 2018, 2019 and 2020

* Identification

* Description of theAction ***Programme***

* Overview of the 2014-2020 cross-border cooperation ***programme***

The 2014-2020 Cross-border Cooperation (CBC)***programme*** Serbia - Bosnia and Herzegovina was approved by Commission Implementing Decision C(2014) 9448 of 10 December 2014. The adopted 2014-2020 ***programme*** constitutes the CBC cooperation strategy for the border region, setting out, among other things, the list of geographical eligible areas, the area context, the ***programme*** thematic priorities and the indicative budget allocations for the 7 ***years*** period.

|  |
| --- |
| Multi-annual Work ***Programme*** This document constitutes the multi-annual work ***programme*** in the sense of Article 110(2) of Regulation (EU, Euratom) 2018/1046 |

|  |  |
| --- | --- |
| Beneficiaries | Serbia and Bosnia and Herzegovina |
| CRIS/ABAC Commitment references Union Contribution Budget line | IPA/2018/041-419; EUR 2,000,000.00 22.020401 IPA/2019/041-420; EUR 2,000,000.00 22.020401 IPA/2020/041-421; EUR 1,800,000.00 22.020401 |
| Management mode     Responsible Structures | Indirect management by the Republic of Serbia   The Operating Structure responsible for the execution of the operations is: Ministry of European Integration The Contracting Authority is: the Department for Contracting and Financing of EU funded projects (CFCU) at the Ministry of Finance   The partner Operating Structure in Bosnia and Herzegovina is: Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina |
| Final date for concluding Financing Agreement(s) with the IPA II beneficiary countries (tripartite) | For the budgetary commitment of ***year*** 2018 at the latest by 31 December 2019. For the budgetary commitment of ***year*** 2019 at the latest by 31 December 2020. For the budgetary commitment of ***year*** 2020 at the latest by 31 December 2021. |
| Final date for concluding contracting including conclusion of contribution/delegation agreements | 3 ***years*** following the date of conclusion of the Financing Agreement (signature of the last party) with the exception of the cases listed under Article 189(2) Financial Regulation |
| Indicative operational implementation period | 6 ***years*** following the date of conclusion of the Financing Agreement (signature of the last party) |
| Final date for implementing the Financing Agreement (date by which thisprogrammeshould be de-committed and closed) after the acceptance of the accounts | 12 ***years*** following the conclusion of the Financing Agreement (signature of the last party) |

The 2014-2020 CBC ***programme*** Serbia-Bosnia and Herzegovina also serves as a reference for the adoption of the CBC action ***programmes***. The 2018-2020 CBC action ***programme*** aims at providing assistance for cross-border cooperation in the thematic areas spelled out in the 2014-2020 ***programme*** (as indicated in section 2.2).

On 6 February 2018, the European Commission adopted a Communication on 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'[1]. This Communication aims to generate renewed reform momentum in the Western Balkans and to provide significantly enhanced EU engagement, to better support their preparations on the European path. The Communication sets the new strategic orientations, in particular as regards the implementation of the six flagship initiatives (i.e strengthening support to the rule of law; reinforcing engagement on security and on migration; supporting socio-economic development; increasing connectivity; implementing a Digital Agenda for the Western Balkans and supporting reconciliation and good neighbourly relations).

In particular, cross-border cooperation is a key vehicle for fostering reconciliation and dealing with the legacy of the past in the Western Balkans, in line with flagship 6 (supporting reconciliation and good neighbourly relations) and for sustainable local development, in line with flagship 3 (supporting socio-economic development).

List of geographical eligible areas

In Bosnia and Herzegovina, the eligible areas are: the Sarajevo Region and the North-East Region. All municipalities included in these two regions are thus considered eligible.

In Serbia, the eligible areas are: Sremski, Macvanski, Zlatiborski, and Kolubarski. All municipalities included in these counties are considered eligible.

Cross-border cooperation (CBC) eligible area context

The situational analysis conducted for the preparation of the ***Programme*** pointed out several key challenges and opportunities to be addressed and supported through cross-border cooperation.In particular the ***Programme*** envisages addressing the following

High unemployment levels and poor social inclusion of vulnerable groups

The whole ***programme*** area registers above average unemployment rates. A high number of redundant workers from large industrial complexes and poor economic prospects cause negative migration trends from the area, in particular among educated youth. The poor overall socio-economic situation negatively influences the position of vulnerable groups, whose integration and inclusion is still limited.

Preserved environment and limited environmental infrastructure

The environmental potentials and availability of alternative energy sources represent a strong competitive advantage of the ***programme*** area. However, the limited infrastructure and low level of investments on one hand directly endangers the environment, and on the other hand prevents the efficient use of available resources.

Strong basis for development of tourism

Taking into account the overall economic situation, tourism represents one of the few realistic and immediate opportunities for improvement. The available natural resources, potentials for development of niche tourism (for instance adventure sports, rural tourism) and connectivity with other economic branches (food processing, bio-***agriculture***) represent a solid basis for tourism efforts.

Based on the above analysis, results, thematic priorities and ***programme*** strategy’s definition have been guided by the following principles:

* Relevance of the challenges and expected impact;

1. Interest and expectations of the final beneficiaries in the ***programme*** area;
2. Strategic priorities at the national/entity, regional and local level;
3. Appropriateness in the context of cross-border cooperation and expected cross-border impact;
4. Lessons learned from previous ***programmes***; and,
5. Building on the objectives and actions set up by the two macro-regional strategies where both Serbia and Bosnia and Herzegovina are members.

Overview of past and on-going CBC experience including lessons learned

Serbia and Bosnia and Herzegovina benefited from Cross-border cooperation ***Programme*** under IPA I for a total amount of EUR 14 million for the period 2007-2013. Key recommendations from interim evaluations and audits on the 2007-2013 CBC ***programmes*** have been taken on board in the development of this ***programme***. Thus, the 2014-2020 CBC ***programmes*** are more focused as regards the number of thematic priorities addressed and the geographical eligibility, which will help to achieve better results and increased impact. Additionally, the implementation of the CBC ***programmes*** has been simplified, mainly by having a single contracting authority and a single financial envelope per ***programme***.

Key lessons learned were also identified by the final evaluation of IPA CBC ***Programmes*** 2007-2013 that was carried out between 2016 and 2017. The lessons learned and the recommendations were discussed with the CBC stakeholders in the Western Balkans and follow-up measures were identified for the short and medium term, both for the on-going 2014-2020 CBC ***programmes*** and for the future 2021-2027 CBC ***programmes***. The main recommendations regarding all CBC ***programmes*** at intra- Western Balkans level include:

* The main objective of promoting good neighbourly relations should be clearly reflected in the CBC projects.

1. The calls for proposal should be more focused on a few priority issues that have high cross-border content.
2. The intervention logic of ***programmes*** and the reporting and monitoring systems must be improved, as they are not structured to set out a clear basis for measuring the results at regional level.
3. There is a need for continuing capacity building activities for Operating Structures and Joint Technical Secretariats/Antennas.
4. There is a need for improving synergies with other policies and donors, capitalising and sharing experiences with the other CBC ***programmes*** (e.g CBC ***programmes*** with Member States, and European Neighbourhood Instrument CBC ***programmes***).

* description and Implementation of the Actions

|  |  |  |
| --- | --- | --- |
| Action 1 | Cross-Border Cooperation Operations | EUR 5,800,000 |

The envisaged assistance to Serbia and Bosnia Herzegovina is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU[2].

(1) Description of the action, objective, expected results

Description of the action: Cross-border cooperation in the border region, in the fields of employment, labour mobility and social and cultural inclusion; environment climate change adaptation and mitigation, risk prevention and management; tourism and cultural and natural heritage.

Objective:Socio-economic development and strengthening of neighbourly relations in the cross-border area through the implementation of cross-border cooperation operations aiming at:

* promoting employment, labour mobility, and social and cultural inclusion across borders through, inter alia, integrating cross-border labour markets, including cross-border mobility; joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services.

1. protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia, joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources, and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.
2. encouraging tourism and cultural and natural heritage.

Where applicable, the actions related to the aforementioned objectives, as developed in the Action Plan of the Adriatic and Ionian macro-regional strategy[3], and the EU Strategy for the Danube Region[4], where both countries participate, shall be taken into account.

Expected results:

Employment, labour mobility and social and cultural inclusion:

* New products and services, as well as industrial and commercial processes, thanks to ***transfer*** of knowledge and innovativeness, result in new sustainable employment opportunities in the cross-border area;

1. Increased competitiveness in the commercialisation of products and services by a common use of resources in strategic sectors (e.g wood manufacturing, food processing and metal works);
2. Unemployed persons obtained new practical skills in real working environments, based on the labour market demand and similarities at both sides of the border;
3. New sustainable social and health services are developed and/or existing ones are upgraded by cross-border exchange, cooperation and synergies, increasing efficiency in service delivery and the number of services’ beneficiaries;
4. The employability and entrepreneurship abilities of vulnerable groups are improved through joint cross-border efforts including the promotion of sustainable social entrepreneurship; and,
5. Sustainable perspectives for social integration of vulnerable groups are created through joint initiatives at both sides of the border.

Environment, climate change adaptation and mitigation, risk prevention and management:

* Effectiveness of public services and practices in relation to solid waste and wastewater management are enhanced through joint initiatives at both sides of the border;

1. Protection of the Drina and Sava river catchment areas and the promotion of their biodiversity is fostered; and
2. Strengthened capacity for preparedness, prevention and response of all organisations/institutions in the protection and rescue system in the cross-border area,in thelong term.

Tourism and cultural and natural heritage:

* The offer and quality of tourism products and services is furthered, based on joint efforts and initiatives;

1. New sustainable employment and business opportunities in the tourism sector opened by joint cross-border efforts;
2. Sustainable cultural and sport exchanges across the border are fostered; and,
3. The historical and natural heritage, and traditions of the cross-border area are better preserved.

The 2018-2020 CBC Action ***Programme*** will contribute to the achievement of the overall objectives and expected results as defined in the 2014-2020 CBC ***programme***. For further details see section 3.2 of the 2014-2020 CBC ***programme*** (Annex 2 of the Commission Decision C(2014) 9448 of 10 December 2014).

(2) Assumptions and conditions

As a necessary condition for the effective management of the ***programme***, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning offices and staff for the Joint Technical Secretariat (to be set up under a separate Financing Decision) and the antenna, in case the latter will be set up. So far, the beneficiaries have complied with this condition by ensuring the smooth run of the Joint Technical Secretariat in Užice (Serbia) and the Antenna Office in Tuzla (Bosnia and Herzegovina). These structures are fully financed by the Support Measure for Technical Assistance for cross-border cooperation ***programmes*** between IPA II beneficiaries under the Instrument for pre-accession assistance (IPA II) for the ***year*** 2014 C(2014) 37629. Further financial support has beenprogrammed by the European Commission to continue to provide support to the Joint Technical Secretariat and the Antenna Office from 2019 onwards. Therefore, new arrangements will be established with the beneficiaries who have to ensure that the conditions under this paragraph are further respected.

Under indirect management, the participating countries shall conclude, for the whole duration of the ***programme***, a bilateral arrangement setting out their respective responsibilities for implementation the ***programme***. This bilateral arrangement has been concluded between the two participating countries and shall remain valid for the whole implementation period of the ***programme***.

Failure to comply with the requirements set out above may lead to a recovery of funds under this ***programme*** and/or the re-allocation of future funding.

(3) Implementation modalities

(3)(a) Indirect management with Serbia

Description of the tasks entrusted

The operating structures of Serbia and Bosnia and Herzegovina jointly prepared the 2014-2020 cross-border cooperation ***programme*** and agreed on the necessary arrangements for the management and implementation of the ***programme*** including establishing a system to monitor the implementation.

The operating structure of Serbia shallarrange for procurement and grant award procedures in the selected thematic priorities of the ***programme***. As regards the call for proposals, the entrusted tasks include drafting guidelines for applicants, launching the calls, selecting the grant beneficiaries and signing grant contracts. The entrusted tasks also include activities linked with the implementation and financial management of the ***programmes***, such as monitoring, evaluation, ***payments***, recoveries, expenditure verification, ensuring internal audit, irregularity reporting, and the setup of appropriate anti-fraud measures.

Description of the call for proposals

Grant – Call for proposal: EUR 5,800,000

* The essential eligibility criteria:

The list of eligible actions (activities) is set in section 3.2 of the Annex 2 of theCommission Decision C(2014) 9448 of 10 December 2014. The following list is a summary indicating the main eligible actions/operations: trainings and capacity building, people to people activities, support to education, enhancement of health care facilities and social services, technical cooperation and development of data's' system exchange, joint risk management activities, etc. Additionally, in the context of the implementation of the ***programme***, preference may be given to the actions related to the EU Adriatic and Ionian macro-regional Strategy and the EU Danube macro-regional Strategy where both beneficiaries participate.

The beneficiaries shall be legal entities and shall be established in an IPA II beneficiary, participating in the CBC ***programme***.

Potential beneficiariescould be: local authorities, legal entities managed by local authorities,  associations of municipalities, development agencies, local business support organisations, economic factors such as small and medium sized enterprises (SMEs), tourism and cultural organisations, non- governmental organisations  (NGOs), public and private bodies supporting the workforce, vocational and technical training institutions, bodies and organisation for nature protection, public bodies responsible for water management, fire/emergency services, schools, colleges, universities, and research canters including vocations and technical training institutions.

* The essential selection criteria are the financial and operational capacity of the applicant.

1. The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
2. Maximum rate of EU co-financing for grants under the calls is 85% of the eligible cost of the action.
3. Indicative amount of the call(s): EUR 5,800,000

The responsible structures may decide to publish more than one call for proposals. Every call for proposals will have the same objectives, results, and essential eligibility, selection and award criteria as described above. Each grant contract will be funded from one budgetary commitment.

The responsible structures may decide to launch a call for proposals, which will include the 2018 and /or the 2019 and /or the 2020 allocation. They may also decide to launch a call, which will include prior or subsequent budget allocations.

* Indicative date for launch of the call(s) for proposals: 4th quarter of 2018 for the 2018 allocation; 4th quarter of 2020 for the 2019 and 2020 allocations.

* Budget

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2018 | 2019 | 2020 |  |  |  |  |  |  |  |  |  |  |
|  | Union  contribution\* | Grant  beneficiary/ies Co-financing\*\* | Total expenditure |  | Union contribution | Grant beneficiary/ies Co-financing | Total expenditure |  | Union contribution | Grant beneficiary Co-financing\* | Total expenditure | Total Financing Decision |
| CBC operations | 2,000,000 | 352,941 | 2,352,941 | CBC operations | 2,000,000 | 352,941 | 2,352,941 | CBC operations | 1,800,000 | 317,647 | 2,117,647 | 5,800,000 |
| in % | 85% | 15% | 100% |  | 85% | 15% | 100% |  | 85% | 15% | 100% |  |
| TOTALS 2018 | 2,000,000 | 352,941 | 2,352,941 | TOTALS 2019 | 2,000,000 | 352,941 | 2,352,941 | TOTALS 2020 | 1,800,000 | 317,647 | 2,117,647 | 5,800,000 |

\* The Union contribution has been calculated in relation to the eligible expenditure, which is based on the total eligible expenditure including public and private expenditure. The Union co-financing rate at the level of each thematic priority shall not be less than 20% and not higher than 85% of the eligible expenditure.

\*\*The co-financing of the thematic priorities will be provided by the grant beneficiaries. Grant beneficiaries should contribute with a minimum of 15% of the total eligible cost of the project

* performance Monitoring arrangements

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this ***programme***, as well as the indicative Strategy Papers.

The National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and ***programmes*** (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG Neighbourhood and Enlargement Negotiations and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by the Joint Monitoring Committee, which will ensure a monitoring process at ***programme*** level.

 [1]COM(2018) 65 final, 6.2.2018[2][*https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions\_en*](https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en)[3]Communication concerning the European Union Strategy for the Adriatic and Ionian Region - 17.06.2014 - COM(2014) 357 final[4]Communication concerning the European Union Strategy for Danube Region – 08.12.2010 COM(2010) 715 final

**Load-Date:** October 30, 2018

**End of Document**



[***Opportunity opens for farmers to access grant to improve the performance of their holdings***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RF2-RXG1-JD3Y-Y0JT-00000-00&context=1516831)

FinancialWire

January 17, 2018 Wednesday

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**Length:** 422 words

**Body**

http://gov.wales

Cabinet Secretary for Energy, Planning and Rural Affairs Lesley Griffiths is urging farmers across Wales to take advantage of Welsh Government funding designed to improve the economic and environmental performance of ***agricultural*** holdings.

The Farm Business Grant (FBG) helps farmers make their businesses more efficient, resilient and environmentally friendly by providing a contribution towards capital investments in items of equipment and machinery.

The third application window for the FBG opens on 29 January and will remain open until midnight on 16th March. It builds on the success of the first two windows which has seen over 850 applications, requesting a total of £5.7m of grant support.

Administration of the FBG will be ***transferred*** to Rural ***Payments*** Wales (RPW) for the third and subsequent windows. Applications and claims for the FBG will now be submitted through RPW Online.

The third window introduces new flexibility to the grant, allowing farmers to submit more than one application in a scheme ***year*** within the £3,000 to £12,000 grant limit. There are also minor changes to some of the eligible items - an updated full list of items is available on the Farm Business Grant page on the Welsh Government's website.

Farmers will still be required to attend one of the Farming for the Future events, which will be held across Wales between 17 January and 1 February. Farmers who have already attended one of these events will not be required to attend again, unless they wish to do so.

The FBG is an important element of the Welsh Government Rural Communities - Rural Development ***Programme*** 2014-2020, and is a key commitment in the ***Programme*** for Government: Taking Wales Forward.

Cabinet Secretary said:

"Our farm Business Grant provides vital funding to help farmers invest in their business and improve the economic and environmental performance of their holdings. This funding is more important than ever as we prepare for an uncertain future as we leave the EU.

"We have been able to make some changes to the third window, to improve and provide flexibility to how the grant will work, by listening to feedback about the grant. I encourage farmers across Wales to attend a 'Farming for the Future' roadshow and find out more information on the wide range of advice and support available to them."

For information on dates and locations for the roadshows and to reserve a place, visit Farming Connect or call the Farming Connect Service Centre on 08456 000 813.

(Distributed by M2 Communications ([*www.m2.com*](http://www.m2.com)))

**Load-Date:** January 17, 2018

**End of Document**



[***Florida FSA - Deadline Approaches for the 2017 Wildfires and Hurricanes Indemnity Program***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SKP-P7G1-F0YC-N2RM-00000-00&context=1516831)

Impact News Service

October 24, 2018 Wednesday

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**Length:** 414 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

Florida Farm Service Agency (FSA) reminds producers that the deadline to apply for assistance under the 2017 Wildfires and Hurricanes Indemnity ***Program*** (2017 WHIP) is Nov. 16, 2018. ***Agricultural*** producers affected by hurricanes and wildfires in 2017 can apply for assistance to help recover and rebuild their farming operations.

The ***program*** was authorized by Congress earlier this ***year*** by the Bipartisan Budget Act of 2018.

Eligible crops, trees, bushes, or vines, located in a county declared in a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation as a primary county are eligible for assistance if the producer suffered a loss as a result of a hurricane during ***calendar*** ***year*** 2017. Also, losses located in a county not designated as a primary county may be eligible if the producer provides documentation showing that the loss was due to a hurricane or wildfire in 2017. A list of counties that received qualifying hurricane declarations and designations is available at [*https://www.farmers.gov/recover/whip*](https://www.farmers.gov/recover/whip). Eligibility is determined by Farm Service Agency (FSA) county committees.

***Agricultural*** production losses due to conditions caused by last ***year***’s wildfires and hurricanes, including excessive rain, high winds, flooding, mudslides, fire, and heavy smoke, could qualify for assistance through the ***program***. Typically, 2017 WHIP is only designed to provide assistance for production losses, however, if quality was taken into consideration under the insurance or Noninsured Crop Disaster Assistance ***Program*** (NAP) policy, where production was further adjusted, the adjusted production will be used in calculating assistance under this ***program***.

Both insured and uninsured producers are eligible to apply for 2017 WHIP. However, all producers receiving 2017 WHIP ***payments*** will be required to purchase crop insurance and/or NAP, at the 60 percent coverage level or higher, for the next two available crop ***years*** to meet statutory requirements. Producers who fail to purchase crop insurance for the next two applicable ***years*** will be required to pay back the 2017 WHIP ***payment***.

Each producer will be asked to provide acceptable production records which must be either verifiable or reliable production records. If a producer is unable to provide production records, USDA will calculate the production based on the higher of the producer certified production and the county disaster yield.

**Load-Date:** October 31, 2018

**End of Document**



[***Notice to Extraordinary General Meeting in Eltel AB***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T26-18B1-JD6G-P4GS-00000-00&context=1516831)

Cision Nordic Companies Press Releases (Scandinavia)

August 16, 2018 Thursday 4:00 PM GMT

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**Length:** 4005 words

**Highlight:** The shareholders of Eltel AB (publ) (Reg. No. 556728-6652) ("Eltel") are hereby invited to an Extraordinary General Meeting to be held on Monday, 17 September 2018 at 14.00 CEST.

**Body**

Place

Eltel AB (publ), Adolfsbergsvägen 13, Bromma, Stockholm, Sweden.

Notice of attendance

Shareholders who wish to attend the General Meeting shall:

·

be entered into the share register kept by Euroclear Sweden AB on Tuesday, 11 September 2018; and

·

give notice of his/her intention to participate at the General Meeting no later than Tuesday, 11 September 2018, by noon CEST.

Notice of attendance at the General Meeting shall be made in writing to Eltel AB, attn: Henrik Sundell, P.O. Box 126 23, SE-112 92 Stockholm, Sweden or by email: [*bolagsstamma@eltelnetworks.com*](mailto:bolagsstamma@eltelnetworks.com)

When giving notice of participation, the shareholder shall state name, personal identification number or company registration number, telephone number and number of shares the shareholder will represent at the Annual General Meeting.

Proxies

If participation is by way of proxy, such document should be submitted in connection with the notice of participation at the General Meeting. For shareholders who wish to participate at the General Meeting by proxy, a proxy form will be available at the company's website, [*www.eltelgroup.com*](http://www.eltelgroup.com) and may be ordered by contacting Eltel.

Nominee registered shares

Shareholders with nominee-registered shares must, in order to participate at the General Meeting, temporarily register the shares in his or her own name. Such shareholder must notify its nominee regarding the abovementioned matter in due time prior to Tuesday, 11 September 2018.

Proposed Agenda

1.

Election of Chairman of the meeting

2.

Preparation and approval of the voting list

3.

Approval of the agenda

4.

Election of one or two persons to verify the minutes

5.

Establishment of whether the meeting has been duly convened

6.

Resolution regarding number of members of the Board of Directors as well as Deputies

7.

Resolution regarding remuneration to the Board of Directors

8.

Election of the Board of Directors and Chairman of the Board

9.

Resolution regarding Long Term Incentive ***Program*** 2018 (LTIP 2018)

10.

Closing of the General Meeting

Items 6 - 8 Election of the Board of Directors etc. It is proposed to increase the number of ordinary board members to a total of nine. It is proposed to increase the remuneration to the Board of Directors to a total amount of EUR 487 200 (from 465 200) The Board member Mikael Moll has declared that he will resign from the Board in connection with the General Meeting. It is proposed to elect as new members of the Board of Directors, up until and including the next annual general meeting, Roland Sundén and Mikael Aro.

The Board of Directors will thereafter consist of the following ordinary Board members (including the chairman):

Ulf Mattsson, ordinary Board member/Chairman;

Håkan Dahlström, ordinary Board member;

Gunilla Fransson, ordinary Board member;

Ulf Lundahl, ordinary Board member;

Markku Moilanen, ordinary Board member;

Hans von Uthmann, ordinary Board member;

Joakim Olsson, ordinary Board member;

Roland Sundén, ordinary Board member; and

Mikael Aro, ordinary Board member.

Motivation

Due to the fact that that Zeres Capital has significantly reduced its shareholding and that Wipunen Varainhallinta Oy, Mariatorp Oy, and Riikantorppa Oy have increased their combined shareholding, Mikael Moll has declared his seat on the Board of Directors available. In view of this change, a group consisting of the largest shareholders in Eltel (Wipunen Varainhallinta Oy, Mariatorp Oy, Riikantorppa Oy, and Solero Luxco S.á r.l., that jointly represented c.33% of the capital and votes in Eltel as per July 31, 2018) proposes that Roland Sundén and Mikael Aro are elected as new members of the Board of Directors for the period until the next annual general meeting. Given this, it is also proposed that the number of ordinary members of the Board of Directors shall be expanded to 9 (from 8), and that the total remuneration to the Board of Directors for the period until the next annual general meeting shall be increased in proportion to the new total number of ordinary board members (i.e. an increase of EUR 33,000 prorated for the period until the next annual general meeting).

Roland Sundén, born 1953, currently serves as President of Hiab and member of Cargotec's Executive Board. Previous positions include, among others, the assignments as President and CEO of LM Wind Power, President ***Agricultural*** Division, Case New Holland, and Executive Vice President, Volvo Construction Equipment.

Mikael Aro, born 1965, currently serves as Senior Industry Expert at Triton and as Chairman of the Board in in Glamox AS and Flokk AS, and as Board member in Nokas AS. Previous positions include, among others, the assignments as Chairman of the Board in Mehiläinen Oy and Nordic Cinema Group, Vice-Chairman of the Board of Kesko Oyj, Board member of Altia Oyj, as well as CEO of VR-Group and Senior Vice President Northern Europe, Carlsberg Group.

Item 9: The Board of Directors proposal regarding Long Term Incentive ***Program*** 2018 (LTIP 2018)

Eltel's Board of Directors proposes that the Extraordinary General Meeting pass a resolution on the implementation of a Long Term Incentive ***Program*** 2018 (LTIP 2018). This proposal is divided into four items:

1.

Terms of the LTIP 2018.

2.

Hedge for LTIP 2018 in the form of new class C shares.

3.

If item B is not approved, the Board proposes that hedge of LTIP 2018 shall take place via equity swap agreement with a third party.

4.

Other matters related to LTIP 2018

A. LTIP 2018

A.1 Introduction

LTIP 2018 is the same type of long term incentive ***program*** that has been used in the company since 2015. The Board is proposing to continue this type of performance-based, long-term share ***program***, in order to increase and strengthen the potential for recruiting, retaining and rewarding key individuals. The board therefore proposes that the Extraordinary General Meeting approves the implementation of LTIP 2018 for top management within the Eltel Group. The aim is also to use LTIP 2018 to create an individual long-term ownership of Eltel shares among the participants. Participants will, after a qualifying period and assuming an investment of their own in Eltel ordinary shares, receive allotments of additional Eltel ordinary shares without consideration. The number of allotted shares will depend on the number of Eltel ordinary shares they have purchased themselves and on the fulfilment of certain performance targets. The term of LTIP 2018 is more than three ***years***.

A.2 Basic features of LTIP 2018

The LTIP 2018 will be directed towards the top management in the Eltel Group. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2018 assumes that the participant locks Eltel ordinary shares into LTIP 2018 ("Savings Shares"). Savings Shares can be newly acquired Eltel shares or Eltel Shares already held by a participant, provided that such shares are not subject to any other similar incentive ***program***.

For each acquired Savings Share, the participant shall be entitled, after a certain qualification period (defined below) and provided continued employment during the entire period, to receive an allotment of one Eltel matching/retention share ("Matching Share"). Dependent on the fulfilment of certain performance targets linked to Eltel's EBITDA for the financial ***year*** 2021, the participant may also be entitled, to receive allotment of additional Eltel shares ("Performance Shares"). The participant shall not pay any consideration for the allotted Matching Shares and Performance Shares. Matching Shares and Performance Shares are Eltel ordinary shares.

A.3 Participation in LTIP 2018

No later than during September 2018, the Board will decide on participation in LTIP 2018.

LTIP 2018 is directed towards three categories of participants:

+------------------------+------------------+---------------+------------------+

|Category |Maximum of Savings|Matching Shares|Performance Shares|

| |Shares (% of base |per Savings |per Savings share |

| |salary) |share | |

+------------------------+------------------+---------------+------------------+

|A) CEO |25% |1.0x |4.0x |

+------------------------+------------------+---------------+------------------+

|B) CFO |20% |1.0x |3.0x |

+------------------------+------------------+---------------+------------------+

|C) Group Management Team|15% |1.0x |3.0x |

|(GMT), maximum 6 persons| | | |

+------------------------+------------------+---------------+------------------+

The maximum number of Savings Shares for each participant shall be based on an investment in Eltel shares with an amount corresponding to a certain portion of the concerned participant's base salary level for the current ***year***. In order to be eligible to participate in LTIP 2018, the participant must make a minimum investment of an amount equal to 25% of the applicable maximum level for Savings Shares investment.

Any resolution on participation or implementation of LTIP 2018 shall be conditional on that it, in the Board's judgement, can be offered with reasonable administrative costs and financial effects.

A.4 Allotment of Matching Shares and Performance Shares

Allotment of Matching Shares and Performance Shares within LTIP 2018 will be made during a limited period of time following presentation of the first quarterly statement 2022. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Matching Shares and Performance Shares is that the participant remains an employee of the Eltel Group during the full qualification period up until allotment and that the participant, during this period, has kept all Savings Shares. Allotment of Performance Shares requires that the EBITDA performance targets are fulfilled.

The performance targets are Eltel's EBITDA for the financial ***year*** 2021 and the performance targets shall be established by the Board. Partial fulfilment of the performance targets will result in partial allotment of Performance Shares. Performance under a certain level will result in no allotment. The EBITDA targets and the performance will be communicated to the shareholders after the allotment of Matching and Performance Shares to participants.

Prior to the allotment of Matching Shares and Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the Company's financial results, position and performance, as well as other factors. In this regard, the participant's maximum gross profit per Performance Share shall be limited to three times the share price of the Eltel share at the time of the commencement of the qualification period, and therefore the number of Matching Shares and/or Performance Shares allotted to the participant may be reduced proportionally in order to achieve such limitation.

If significant changes take place within the Eltel Group, or on the market, which, by the assessment of the Board, would mean that the terms for allocation/***transfer*** of Shares according to LTIP 2018 is no longer reasonable, the Board shall have the right to implement an adjustment to LTIP 2018, including, among others, the right to reduce the number of Matching or Performance Shares allocated/***transferred***, or not to allocate/***transfer*** Matching or Performance Shares at all.

A.5 Implementation and administration etc.

The Board, with the assistance of the remuneration committee, shall in accordance with the resolutions by Extraordinary General Meeting set forth herein be responsible for the detailed design and implementation of LTIP 2018. The Board may also decide on the implementation of an alternative cash based incentive for participants in countries where the acquisition of Savings Shares or allotment of Matching and/or Performance Shares is not appropriate, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2018.

The intention is that the Board shall launch LTIP 2018 as soon as practically possible after the Extraordinary General Meeting.

B. Hedge for LTIP 2018 in the form of new Class C Shares

B.1 Introduction

The Board proposes that the implementation of LTIP 2018 shall be made in a cost-effective and flexible manner, and that the undertakings of the Company for delivery of Matching and Performance Shares and the Company's cash-flow primarily shall be hedged by a directed issue of convertible and redeemable Class C Shares. These shares can be repurchased and converted into ordinary shares and ***transferred*** in accordance with the following.

B.2 Authorization for the Board to resolve on a directed issue of class C shares

The Board shall be authorized to resolve on a directed issue of Class C Shares on the following terms and conditions:

1.

The maximum number of Class C Shares to be issued is 850 000

2.

With a deviation from the shareholders' preferential rights, the new shares may only be subscribed for by one external party after arrangement in advance with the Board.

3.

The amount to be paid for each new share (the subscription price) shall equal the share's quota value at the time of subscription.

4.

The authorization may be exercised on one or several occasions until the Annual General Meeting 2019.

5.

The new class C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction).

6.

The purpose of the authorisation is to hedge the undertakings of the Company according to LTIP 2018 and, in terms of liquidity, to hedge ***payments*** of social security contributions related to Matching and Performance Shares.

B.3 Authorization for the Board to repurchase issued class C shares

The Board shall be authorized to repurchase class C shares on the following terms and conditions:

1.

Repurchase can only take place by way of an acquisition offer directed to all holders of class C shares in the Company.

2.

The maximum number of Class C shares to be repurchased shall amount to 850 000

3.

Repurchase shall be made at a cash price per share of minimum 100 and maximum 110 per cent of the quota value applicable to the repurchased class C shares at the time of repurchase.

4.

The Board shall have the right to resolve on other terms and conditions for the repurchase.

5.

Repurchase may also be made of a so-called interim share regarding a class C share, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie, BTA).

6.

The authorization may be exercised on one or several occasions until the Annual General Meeting 2019.

The purpose of the authorization is to hedge the undertakings of the Company according to LTIP 2018 and, in terms of liquidity, to hedge ***payments*** of social security contributions related to Matching and Performance Shares.

B.4 ***Transfer*** of Eltel's own ordinary shares in LTIP 2018

***Transfer*** of the Company's own ordinary shares in LTIP 2018 can be made on the following terms and conditions:

1.

A maximum number of 678 732 Eltel ordinary shares may be ***transferred*** free of charge to participants in LTIP 2018.

2.

A maximum number of 171 568 Eltel ordinary shares may be disposed at market price on the stock market in order to hedge the cash-flow related to the Company's ***payments*** of social security contributions in relation to LTIP 2018.

3.

The terms for these ***transfers***, the number of shares in each transaction and the timing for the transactions shall be as stipulated in the terms and conditions of LTIP 2018.

4.

The number of Eltel shares that may be ***transferred*** within the framework of LTIP 2018 may be subject to customary recalculations as a result of bonus issue, split, rights issue and/or similar events.

5.

The above resolution under item b) regarding disposal of shares in the stock market will be proposed to be repeated as a new annual decision by each Annual General Meeting during the term of LTIP 2018.

B.5 Reasons for the deviation from the shareholders' preferential rights etc.

The reason for deviation from the shareholders' preferential rights is to implement the proposed LTIP 2018 as set out herein. In order to minimize costs for LTIP 2018, the subscription price shall equal the Class C Share's quota value.

Since the Board considers that the most cost-effective and flexible method of ***transferring*** Eltel shares under LTIP 2018 is to ***transfer*** own shares, the Board proposes that the ***transfer*** is hedged in this way in accordance with this item B. Should the necessary majority not be obtained for the item B proposal, the Board proposes that the ***transfer*** is hedged by entering into a share swap agreement with a third party in accordance with item C below.

C. Equity swap agreement with a third party

The Board proposes that the Extraordinary General Meeting, should the necessary majority not be obtained for item B above, resolve to hedge the financial exposure of LTIP 2018, by the Company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and ***transfer*** shares in the Company in LTIP 2018. The relevant number of shares shall correspond to the number of shares proposed under item B above.

D. Other matters in relation to LTIP 2018

D.1 Majority requirements etc.

The resolution by the Extraordinary General Meeting regarding the implementation of LTIP 2018 according to item A above shall be conditional on the Extraordinary General Meeting resolving either in accordance with the Board's proposal under item B above or in accordance with the Board's proposal under item C above.

The resolution according to item A above shall require a majority of more than half of the votes cast at the Extraordinary General Meeting. A valid resolution under item B above requires that shareholders representing not less than nine-tenths (90%) of the votes cast as well as the shares represented at the Extraordinary General Meeting approve the resolution.

A valid resolution under item C above shall require a majority of more than half of the votes cast at the Extraordinary General Meeting.

D.2 Estimated costs, expenses and financial effects of LTIP 2018

LTIP 2018 will be accounted for in accordance with "IFRS 2 - Share‐based ***payments***". IFRS 2 stipulates that the share awards should be expensed as personnel costs over the qualification period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security contributions will be recognised as an expense in the income statement through regular provisions in accordance with generally accepted accounting principles. The amount of these regular provisions will be revalued in line with the trend in the value of the right to Matching/Performance Shares, and the contributions payable on the allotment of Matching/Performance Shares.

Assuming a share price at the time of implementation of EUR 2,39 (SEK 25), and that the performance targets are achieved so that 100 percent of the maximum number of Performance Shares vest, including a share price increase of 50 percent during the qualification period, the total cost for LTIP 2018, including social security costs, is estimated to approximately EUR 2,3 million before tax, corresponding to an estimated annual cost of approximately EUR 0,75 million before tax.

LTIP 2018 will comprise maximum 678 432 shares in total which corresponds to approximately 0,43 percent of the total outstanding shares and votes in the Company. Aggregated with the 171 568 shares that may be ***transferred*** in order to cover the cash flow effects associated with social security contributions for LTIP 2018, this corresponds to approximately 0.54 percent of the total outstanding shares and votes in the Company.

The above calculations are based on a decision on hedging in accordance with item B. To the extent that a share swap agreement in accordance with item C is entered into to hedge the obligations under LTIP 2018, any fluctuations in the value of the swap agreement during the life of LTIP 2018 will be recognized as an income or expense in the income statement.

In the view of the Board, the positive effects expected to arise from LTIP 2018, outweigh the costs associated with LTIP 2018.

D.3 The Board's explanatory statement

The Board wishes to increase the ability of Eltel to retain key managers. Moreover, an individual long-term ownership commitment among the participants in LTIP 2018 is expected to stimulate greater interest and motivation in the Company's business operations, results and strategy. The Board believes that the implementation of LTIP 2018 will benefit Eltel and its shareholders. LTIP 2018 will provide a competitive and motivation-improving incentive for key managers within the Group.

LTIP 2018 has been designed to reward the participants for increased shareholder value by allotting shares, based on the fulfilment of conditions in respect of results and operations. Allotments shall also require a private investment by each respective participant through the acquisition of shares by them at market price. By linking the employees' remuneration to an improvement in Eltel's results and value, the long-term value growth of Eltel is rewarded. Based on these circumstances, the Board considers that the implementation of LTIP 2018 will have a positive effect on the Eltel Group's continued development, and will thus be beneficial to the shareholders and Eltel.

D.4 Other share-related incentive ***programs***

The current outstanding share-related incentive ***program*** LTIP 2016 is described on page 101 in the Eltel Group Annual Report for 2017 which is available at the Company's web site. LTIP 2015 has been finally settled in relation to participants in accordance with its terms and the Company has no further outstanding obligations towards the participants in LTIP 2015.

D.5 Adjustment Authorisation

The Board, or a person appointed by the Board, shall be authorised to make any minor adjustments to the above resolutions that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB respectively.

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Complete documentation

Complete documentation for the General meeting will be available at the company's address no later than on Monday 27 August 2018, and on the company's website   [*www.eltelgroup.com*](http://www.eltelgroup.com), and will also be sent to those shareholders who so request and provide their postal address.

Number of shares and votes

As of the date of this notice, the total number of shares in Eltel amounts to 157,097,595, whereof 156,649,081 are ordinary shares carrying one vote each and 448,514 are class C-shares carrying 1/10 vote each. Thus, the total number of votes in Eltel amounts to 156,693,932 as of the date of this notice. All 448,514 class C-shares are held by Eltel and Eltel will not exercise any voting rights regarding these shares at the General Meeting.

Bromma, august 2018

Eltel AB (publ)

The Board of Directors

For further information:

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About Eltel

Eltel is a leading Northern European provider of technical services for critical infrastructure networks - Infranets - in the segments of Power, Communication and Other, with operations throughout the Nordics, Poland and Germany. Eltel provides a broad and integrated range of services, spanning from maintenance and upgrade services to project deliveries. Eltel has a diverse contract portfolio and a growing customer base of large network owners. In 2017, Eltel net sales amounted to EUR 1.3 billion. The current number of employees is approximately 7,680. Since 2015, Eltel AB is listed on Nasdaq Stockholm.

[*Link to PDF File*](http://mb.cision.com/Main/11435/2594141/892721.pdf)

**Graphic**

Notice to Extraordinary General Meeting in Eltel AB

**Load-Date:** August 16, 2018

**End of Document**



[***EC's new guarantee fund could be useful ally for markets***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TF9-9XK1-F0GS-H1GN-00000-00&context=1516831)

Global Capital Euroweek

September 18, 2018

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**Length:** 983 words

**Byline:** Jon Hay

**Highlight:** The European Commission has unveiled a portfolio of financial guarantee transactions it is doing to support development in Africa and regions bordering the EU. Among them are two ***programmes*** conducted by the African Development Bank, including its new synthetic securitisation.

**Body**

The â,¬1.5bn allocation of guarantees is a new initiative that takes the EU in a different direction. In the world of development finance, it is traditionally a donor, working through development banks such as the European Investment Bank, World Bank or AfDB.

It has used guarantees before, but wholly backed by grant money, which is inefficient. This time it is emphasising guarantees much more, and collateralising them only with â,¬750m of cash "" still a high provisioning rate.

Under the EU External Investment Plan, announced in September 2017, the EU is "changing its approach to development cooperation in Africa," said a source familiar with the matter. "For about 10% of the budget, we are focusing on attempting to identify bottlenecks to private investment in Africa. For example, things where in developed markets private capital does it "" fundamentally viable business cases that for some reason don't work in Africa." The EC is looking for places where there are risks it can cover with its guarantees, that would then allow private capital to operate more fully and effectively.

It has set up a â,¬1.5bn guarantee facility called the European Fund for Sustainable Development and asked its development partners, many of them multilateral development banks, to submit proposals. Twelve projects have been chosen for the first â,¬800m of guarantees, which the EC reckons will help bring about total investment in those projects of â,¬8bn to â,¬9bn. This multiplier of 11 is based on the EU's experience since 2007.

By November the EC expects to have used up the full â,¬1.5bn allocation by signing contracts on about 15 or 20 projects.

The target areas are financing for small businesses, including ones involved in ***agriculture***; sustainable cities; sustainable energy and connectivity; and access to the internet and digital services.

One of the most financially sophisticated of the projects is the African Development Bank's Room2Run securitization, completed this week "" the first securitization or portfolio risk ***transfer*** deal by an MDB to bring in private investors.

This deal, which ***transfers*** the mezzanine risk on $1bn of loans to African banks and infrastructure projects, will enable the AfDB to free up 65% of the capital held against them, so that it can make $650m of fresh loans. The risk takers, at the junior mezzanine level, are Mariner, a US hedge fund, and Africa50, an African supranational infrastructure fund.

The deal had a very long gestation and the EC had begun talking to the AfDB many months ago, before its guarantee fund was launched. This was also the case with some of the other deals that are ending up in the portfolio.

Unusually, the EC is coming in with a senior mezzanine guarantee, above the private sector investors. It is taking the $100m tranche of the portfolio between 17.25% and 27.25%.

"The guarantee is very cheap, because the risk is low," the source said. "What we like is that the private investors are not asking the EC to take most of the risk. Here they have gone into the junior tranches, which is very welcome because they endorse a key premise of our activity, which is that perceived risks in Africa are higher than the real risks."

This low risk position also helps to counterbalance some of the riskier assets in the EU's portfolio.

In return for its guarantee on the Room2Run deal, the EC is insisting AfDB redeploy all the capital freed up in renewable energy. This is intepreted broadly, to include gas-fired power if a country needs it as a stability back-up for renewable energy generation. But it would not include roads or coal-fired power investments.

The EC believes Room2Run will lead to â,¬1bn to â,¬2bn of total new investment in large and small scale renewable energy, some of it in fragile states.

The other AfDB transaction is for its Desco "" decentralised energy services company "" financing ***programme***, which helps bring small solar power kits to people in sub-Saharan Africa, especially the Sahel. The ***programme*** is intended to offset the risks local banks feel in lending on solar equipment, and to reach 3.5m people.

People will buy solar equipment, paying the AfDB or commercial lenders back over two or three ***years***, sometimes at as little as $5 a month. ***Payments*** can be collected via mobile phone bills.

The EC's guarantee is â,¬50m, plus â,¬6m of technical assistance. The deal is similar to a securitization, in that the EC is guaranteeing a diversified portfolio of assets.

Some of the other deals involve guaranteeing offtake agreements.

Besides the guarantee activity, the External Investment Plan also includes â,¬2.6bn for blended financing, in which public sector or concessional loans or investments are made alongside private, market rate investments.

The first â,¬1.6bn of this has been allocated, and the EC believes it will leverage up to â,¬14.6bn of total investment.

"Our role is as a donor, but we are trying to do it in a more market-based way," said the source.

The EC is very aware of the risk of destroying private markets with its largesse. "It can happen," the source said, "maybe especially when it goes to the "~low-hanging fruit' of deals in Kenya or Morocco" "" seen as safer markets. The EC is keen to push partners into riskier markets. The guarantees also have to be paid for.

Encouraged by the more than â,¬2bn of excess demand for its offer of guarantees, which forced it into a difficult process of picking the best projects, the EC wants to go further next time.

"We see this as a proof of concept," the source said. "The EC proposal for the next seven ***year*** EU budget cycle, which starts in 2021, is for a much bigger guarantee scheme."

The EC's willingness to use its guarantees to take a wide variety of risks, including in capital markets transactions, will further stimulate what is already likely to be a more vigorous market in risk ***transfer*** and balance sheet optimisation among the MDBs.

**Load-Date:** October 8, 2018

**End of Document**



[***Washington: Worcester Business Owner Pleads Guilty to Defrauding SNAP Benefits Program and Selling Counterfeit Merchandise***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R4P-WX61-F0YC-N505-00000-00&context=1516831)

Impact News Service

December 8, 2017 Friday

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**Length:** 439 words

**Body**

Washington: US Department of Justice has issued the following news releaase:    The owner of Esther’s Fashion Paradise in Worcester pleaded guilty yesterday in federal court to defrauding the SNAP benefits ***program*** and selling counterfeit merchandise.   Esther Acquaye, 31, of Worcester, pleaded guilty to one count of conspiracy to acquire, possess, and redeem SNAP benefits in an unauthorized manner, and to convert public money; one count of SNAP fraud; and one count of trafficking in counterfeit goods. U.S District Court Judge Timothy S. Hillman scheduled sentencing for March 7, 2018.   On numerous occasions between November 2013 and April 2016, Acquaye, the owner of Esther’s Fashion Paradise in Worcester, accepted EBT cards from SNAP recipients wishing to exchange their SNAP benefits for cash.

Specifically, Acquaye passed the EBT cards through a point-of-sale terminal causing the full value of the SNAP benefits to be electronically ***transferred*** to her business, and then provided less than the full value of the SNAP benefits in cash to the SNAP recipients. In total, Acquaye caused approximately $282,541 in fraudulent EBT transactions and SNAP benefits to be transacted at Esther’s.   In addition, on at least four occasions between November 2015 and March 2016, Acquaye accepted an EBT card from an undercover investigator as ***payment*** for counterfeit retail goods. Acquaye sold the investigator two counterfeit Michael Kors purses, one counterfeit Gucci purse, one counterfeit The North Face jacket, and one counterfeit Michael Kors wallet.   The charge of conspiracy provides for a sentence of no greater than five ***years*** in prison, three ***years*** of supervised release and a fine of $250,000. The charge of SNAP fraud provides for a sentence of no greater than 20 ***years*** in prison, three ***years*** of supervised release, and a fine of $250,000, or twice the gross gain/loss, whichever is greater. The charge of trafficking in counterfeit goods provides for a sentence of no greater than 10 ***years*** in prison, three ***years*** of supervised release and a fine of $2 million. Sentences are imposed by a federal district court judge based upon the U.S Sentencing Guidelines and other statutory factors.   Acting United States Attorney William Weinreb; Bethanne M. Dinkins, Special Agent in Charge of the U.S Department of ***Agriculture***, Office of Inspector General, Office of Investigations, Northeast Region; and Michael Shea, Acting Special Agent in Charge of Homeland Security Investigations in Boston made the announcement today. Assistant U.S Attorney Michelle Dineen Jerrett of Weinreb’s Worcester Branch Office is prosecuting the case.

**Load-Date:** December 9, 2017

**End of Document**



[***Notice of annual general meeting in Scandi Standard AB (publ)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S4K-H731-F0NJ-D4G5-00000-00&context=1516831)

Cision Nordic Companies Press Releases (Scandinavia)

April 18, 2018 Wednesday 6:10 AM GMT

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**Length:** 5602 words

**Body**

Scandi Standard AB (publ), 556921-0627, holds its annual general meeting on Tuesday 22 May 2018 at 1.00 p.m. CET at IVA Konferenscenter, Grev Turegatan 16 in Stockholm. The entrance to the meeting will open at noon CET.

RIGHT TO PARTICIPATE AND NOTICE OF ATTENDANCE

Those who wish to attend the annual general meeting must:

· be entered as a shareholder in the share register kept by Euroclear Sweden AB on Wednesday 16 May 2018; and

· give notice of attendance to the company no later than on Wednesday 16 May 2018.

Notice of attendance may be given by telephone +46 (0)8 402 90 55 on weekdays between 9.00 a.m. and 4.00 p.m. CET or on the company's website, [*www.scandistandard.com*](http://www.scandistandard.com). Notice of attendance may also be given in writing to Scandi Standard AB (publ), c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

The notice of attendance shall state name, date of birth or corporate identification number, address, telephone number and, where relevant, the number of accompanying advisors (not more than two).

The annual general meeting will be held in Swedish.

SHARES REGISTERED IN THE NAME OF A NOMINEE

To be entitled to participate in the annual general meeting, a shareholder having its shares registered in the name of a nominee must, in addition to give notice of attendance, have the shares registered in its own name so that it is registered as a shareholder in the share register kept by Euroclear Sweden AB on Wednesday 16 May 2018. Such registration may be temporary. Please note that this procedure may also apply with respect to shares held on a bank's shareholder deposit account and certain investment savings accounts (Sw. investeringssparkonton).

PROXIES AND PROXY FORMS

Those who do not attend the annual general meeting in person may exercise their rights at the meeting through a proxy in possession of a written, signed and dated proxy form. A proxy form issued by a legal entity must be accompanied by a copy of a certificate of registration or a corresponding document of authority for the legal entity.

To facilitate the registration at the annual general meeting, proxy forms, certificates of registration and other documents of authority should be submitted to the company at Scandi Standard AB (publ), c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden no later than on Wednesday 16 May 2018. Please note that a notice of attendance must be given even if a shareholder wishes to exercise its rights at the meeting through a proxy. A submitted proxy form does not count as a notice of attendance.

Template proxy forms in Swedish and English are available on the company's website,   [*www.scandistandard.com*](http://www.scandistandard.com).

PROPOSED AGENDA

1. Election of a chairman of the meeting

2. Preparation and approval of the voting register

3. Approval of the agenda

4. Election of one or two persons to attest the minutes

5. Determination of whether the meeting was duly convened

6. Submission of the annual report and auditor's report and the consolidated financial statements and auditor's report for the group

7. Resolution on:

a)  adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet

b)  allocation of the company's profit or loss according to the adopted balance sheet

c)  discharge from liability for board members and the managing director

8. Determination of the number of members of the board of directors

9. Determination of fees for the board of directors

10. Election of the board of directors

The nomination committee's proposal for members of the board of directors:

 a)  Per Harkjaer (re-election)

 b)  Michael Parker (re-election)

 c)  Karsten Slotte (re-election)

 d)  Heléne Vibbleus (re-election)

 e)  Öystein Engebretsen (re-election)

 f)  Gunilla Aschan (new election)

 g)  Vincent Carton (new election)

 The nomination committee's proposal for chairman of the board of directors:

 h)  Per Harkjaer (re-election)

11. Determination of the number of auditors and deputy auditors

12. Determination of fees for the auditors

13. Election of accounting firm or auditors

14. Resolution on guidelines for remuneration to the senior management

15. Resolution on:

a)  long term incentive ***program*** (LTIP 2018)

b)  authorisation for the board of directors to resolve on acquisitions of own shares

c)  ***transfer*** of own shares

16. Resolution on authorisation for the board of directors to resolve on issue of shares

17. Closing of the meeting

PROPOSED RESOLUTIONS

Item 1: Election of a chairman of the meeting

The nomination committee proposes that advokat Björn Svensson be elected chairman of the meeting.

Item 7 b): Resolution on allocation of the company's profit or loss according to the adopted balance sheet

The board of directors proposes a dividend of SEK 1.80 per share and that Thursday 24 May 2018 shall be the record date for the dividend.

If the annual general meeting resolves in accordance with the board of directors' proposal, ***payment*** of the dividend is expected to be made through Euroclear Sweden AB on Tuesday 29 May 2018.

The proposed dividend corresponds to a total amount of approximately SEK 117.6 million, based on a dividend to all shares in the company at the date of this notice, except for shares in the company that are expected to be held by the company itself on the record date for the dividend, and is therefore subject to change if the company acquires or disposes own shares before the record date. Accordingly, the company has taken into account the expected allotment under LTIP 2015.

Item 8: Determination of the number of members of the board of directors

The nomination committee proposes that the number of board members elected by the annual general meeting is seven.

Item 9: Determination of fees for the board of directors

The nomination committee proposes that fees to the board members, for the period until the next annual general meeting, shall be not more than SEK 2,600,000 (currently SEK 2,750,000). The fee to the chairman of the board shall be increased to SEK 650,000 (SEK 550,000) and the individual fee payable to the other non-employed board members elected by the annual general meeting shall be increased to SEK 325,000 (SEK 275,000).

The nomination committee proposes that fees to members of the committees of the board, for the period until the next annual general meeting, shall be not more than SEK 420,000 (SEK 330,000). This comprises an individual annual fee of SEK 150,000 (SEK 130,000) for the chairman of the audit committee and SEK 75,000 (SEK 50,000) for each of the two other members of the audit committee, SEK 60,000 (SEK 50,000) for the chairman of the remuneration committee and SEK 30,000 (SEK 25,000) for each of the two other members of the remuneration committee.

Item 10: Election of the board of directors

The nomination committee proposes that the following persons be elected for the period until the close of the next annual general meeting:

Members of the board of directors:

a)  Per Harkjaer (re-election)

b)  Michael Parker (re-election)

c)  Karsten Slotte (re-election)

d)  Heléne Vibbleus (re-election)

e)  Öystein Engebretsen (re-election)

f)  Gunilla Aschan (new election)

g)  Vincent Carton (new election)

Chairman of the board of directors:

h)        Per Harkjaer (re-election)

Information on proposed new board members

Name: Gunilla Aschan

Born: 1960

Education: Master of Science in ***Agriculture*** Economics, Swedish University of ***Agricultural*** Sciences (SLU), Uppsala (Sweden).

Other current assignments: Head of Specialist Group Land & Forestry, Commercial Banking, Nordea Bank AB (publ). Member of the board of directors of Lantmännen. Member of the Royal Swedish Academy of ***Agriculture*** and Forest (KSLA). Member of the Advisory Board Capital Asset Management KSLA. Member of the audit committee of Lantmännen.

Shareholding in Scandi Standard: 0 shares.

Principal work experience: Head of Specialist Group Land & Forestry, Commercial Banking, Nordea Bank AB (publ). Chairman of the Landowners Association East Sweden. Member of the board of directors and the audit committee of HKScan Group.

Name: Vincent Carton

Born: 1958

Education: Bachelor of Commerce, University College Dublin, CIMA Chartered institute of Management Accountants .

Other current assignments: Managing director of Manor Farm since 1998, Member of Foodwise 2025 (Irish ***Agriculture*** and food Industry strategy committee), Board Member of MII (Meat Industry Ireland), Member of Consumer foods, Meat and Livestock advisory Boards of Bord Bia (Ireland's food Marketing Organisation).

Shareholding in Scandi Standard: 6,000,000 shares (through the related company Carton Group).

Principal work experience: Managing director of Manor Farm.

Information on all proposed board members

The nomination committee's complete proposal, including a presentation of the proposed board members and an assessment of their independence of the company and its senior management and major shareholders, is available on the company's website,   [*www.scandistandard.com*](http://www.scandistandard.com).

Item 11: Determination of the number of auditors and deputy auditors

The nomination committee proposes that the company shall have one auditor without a deputy auditor.

Item 12: Determination of fees for the auditors

The nomination committee proposes that the fees to the auditor be paid in accordance with approved invoice.

Item 13: Election of accounting firm or auditors

The nomination committee proposes that Öhrlings PricewaterhouseCoopers AB be re-elected as auditor for the period until the close of the next annual general meeting.

Item 14: Resolution on guidelines for remuneration to the senior management

The board of directors proposes that the below guidelines for remuneration for the senior management be applied until the annual general meeting 2019.

General principles for the remuneration and other terms and conditions

In these guidelines, the senior management means the managing director of the company, the senior managers in the company and other group companies who, from time to time, are reporting to the managing director or the CFO and who are also members of the senior management, as well as board members of the company that have entered into an employment or consulting agreement with a group company.

Salaries and other terms and conditions of employment shall be adequate to enable the company and the group to retain and recruit skilled senior managers at a reasonable cost. The remuneration to the senior managers shall consist of fixed salary, variable salary, pension and other benefits, and it shall be based on principles of performance, competitiveness and fairness.

Principles for fixed salary

Each senior manager shall be offered a fixed salary in line with market conditions and based on the manager's responsibility, expertise and performance.

Principles for variable salary

All senior managers may, from time to time, be offered a variable salary (i.e., cash bonuses). The variable salary shall be based on a set of financial and personal objectives determined in advance.

The variable salary may not amount to more than 75 per cent of the fixed salary (in this context, fixed salary means cash salary earned during the ***year***, excluding pension, benefits and similar). To the extent a board member performs work for the company, in addition to ordinary board work, a market-based consulting fee may be paid.

Principles for incentive ***programs***

The general meeting may resolve on long-term incentive ***programs*** such as share and share price-related incentive ***programs*** for the members of the senior management. Such incentive ***programs*** shall be designed to promote the long-term value growth of the company and the group and increase alignment between the interests of the participating individual and the company's shareholders.

Principles for pensions, salary during periods of notice and severance pay

Agreements regarding pensions shall, where applicable, be premium based and designed in accordance with the level and practice applicable in the country in which the member of senior management is employed. Fixed salary during notice periods and severance ***payment***, including ***payments*** for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for two ***years***. The total severance ***payment*** for all members of the senior management shall be limited to the current monthly salary for the remaining months up to the age of 65.

Principles for deviations from the guidelines

The board of directors may resolve to deviate from the guidelines if the board of directors, in an individual case, is of the opinion that there are special circumstances justifying a deviation.

Item 15 a): Resolution on long-term incentive ***program*** (LTIP 2018)

Background and summary

Salaries and other terms and conditions of employment in the company and the group shall be adequate to enable the company and the group to retain and recruit skilled employees at reasonable costs. Remuneration shall be based on principles of performance, competitiveness and fairness. The board of directors of the company has decided to propose to the annual general meeting the below Long Term Incentive ***Program*** 2018 ("LTIP 2018") for key employees, which is designed to promote the long-term value growth of the company and the group and increase alignment between the interests of the participating individual and the company's shareholders.

Performance share rights shall be allotted free of charge to the participants of LTIP 2018, who are key employees in the group, in relation to a fixed percentage of their base salary (fixed salary). After a three-***year*** vesting period commencing in connection with the implementation of LTIP 2018 and provided that certain conditions are fulfilled, the participants may exercise their performance share rights through which they will be allotted shares in the company free of charge.

In order to ensure the delivery of shares under LTIP 2018 and for the purpose of hedging social security charges under LTIP 2018, the board of directors proposes that the board of directors be authorised to acquire a maximum of 337,634 shares in the company on Nasdaq Stockholm. In addition, the board of directors proposes that the annual general meeting resolves to ***transfer*** a maximum of 289,975 own shares to the participants of LTIP 2018 in accordance with the terms of LTIP 2018.

The intention is that a ***program*** similar to LTIP 2018 shall be adopted annually, at the annual general meetings the coming ***years***.

Proposal

The board of directors proposes that the annual general meeting resolve on the implementation of LTIP 2018 principally based on the terms and conditions set out below.

1. Participants and allotment under LTIP 2018

LTIP 2018 comprises a maximum of 26 participants divided into four (4) categories.

· Category 1 consists of the managing director

· Category 2 consists of the CFO and the COO

· Category 3 consists of the country managers and the Director of Group Live Operations

· Category 4 consists of other key employees

The participants shall free of charge be allotted performance share rights entitling to allotment of shares in the company. The number of performance share rights allotted to a participant shall be calculated as a percentage of the relevant participant's base salary plus any social security charges attributable to such amount divided by 59.99, which was the average share price during the period 22 February 2018 to 14 March 2018. The percentage of the base salary forming the basis for allotment of performance share rights depends on which category the participant belongs to, in accordance with the following:

· Category 1: 100 per cent of the base salary for 2018

· Category 2: 75 per cent of the base salary for 2018

· Category 3: 50 per cent of the base salary for 2018

· Category 4: 25 per cent of the base salary for 2018

The above percentages will be adjusted so that participants who have been employed with the group for less than a ***year*** will receive less than 100 per cent of the numbers illustrated above.

Provided that the conditions set out in item 2 (Performance share rights) below are fulfilled, the performance share rights shall entitle to allotment of shares in the company in accordance with what is described below. Allotment of shares on the basis of performance share rights shall be made at the earliest three ***years*** after the implementation of LTIP 2018 (the "Vesting Period").

2. Performance share rights

Following the Vesting Period, each performance share right shall entitle to allotment of up to one (1) share. The conditions for allotment of shares are described in the following.

Vesting requirement

In order for performance share rights to entitle to allotment of shares, it shall be required that the relevant participant remains employed and has not given or been given notice of termination of employment within the group during the Vesting Period. If this condition is not fulfilled, no shares shall be allotted. However, in case a participant's employment has terminated prior to the end of the Vesting Period due to such participant's death or disability or if the employer has given notice of termination of the participant's employment without cause (including, for the avoidance of doubt, notice of termination due to redundancy/shortage of work (Sw. arbetsbrist)), one third (1/3) of the right to allotment of shares shall be vested at each anniversary of the implementation of LTIP 2018.

Performance requirement

In addition, allotment of shares shall be conditional upon satisfaction of a financial target set by the board of directors of the company, being the compound annual growth rate of earnings per share ("EPS CAGR").

The EPS CAGR shall be calculated by the board of directors on the basis of the group's quarterly financial statements, which are adjusted for non-comparables. EPS for the financial ***year*** 2017 was SEK 3.29.

In order for full allotment of shares to occur, the average EPS CAGR during the period 1 January 2018-31 December 2020 must be at least 12.5 per cent. If the average EPS CAGR during the period 1 January 2018-31 December 2020 is 5 per cent, the participants shall be allotted shares for 25 per cent of their performance share rights. If the average EPS CAGR during the period 1 January 2018-31 December 2020 is more than 5 per cent but less than 12.5 per cent, the participants shall receive linear allotment. If the average EPS CAGR during the period 1 January 2018-31 December 2020 is less than 5 per cent, no shares shall be allotted.

3. Terms and conditions for the performance share rights

In addition to what has been stated above, the following terms and conditions shall apply for the performance share rights:

· The performance share rights are allotted free of charge.

· The participants are not entitled to ***transfer***, pledge, or dispose the performance share rights or perform any shareholder's rights regarding the performance share rights during the Vesting Period.

· Execution of the performance share rights may take place at the earliest three ***years*** after LTIP 2018 was implemented.

· The company will not compensate the participants for any dividends.

· The maximum number of shares allotted to an individual participant shall be limited to two times the participant's base salary for 2020 divided by the volume weighted average share price during the 10 trading days occurring immediately after the company's announcement of its ***year***-end report for 2020.

4. Detailed terms and administration

The board of directors, or a certain committee appointed by the board of directors, shall be responsible for determining the detailed terms and the administration of LTIP 2018, within the scope of the terms and guidelines given by the general meeting. By way of example, the board of directors shall be authorised to decide that, despite the conditions under item 2 (Performance share rights) above being fulfilled, no allotment of shares shall be made to a participant in case of fraud, other criminal activity or gross misconduct by such participant.

In connection with any rights issues, splits, reverse splits and similar dispositions, the board of directors shall be authorised to recalculate EPS CAGR as well as the number of shares that the performance share rights shall entitle to.

In case a public offer for all shares in the company is completed resulting in the offeror owning more than 90 per cent of the shares in the company, the board of directors shall be authorised to resolve upon the close-down of LTIP 2018, including but not limited to approving earlier execution of performance share rights, amending the vesting requirements and shorten the periods for application of the EPS CAGR thresholds for determination of to which extent the performance requirement is fulfilled.

If delivery of shares cannot be accomplished at reasonable costs, with reasonable administrative effort and without regulatory problems, the board of directors shall be authorised to decide that the participants may instead be offered a cash-based settlement.

Further, the board of directors shall be authorised to decide on other adjustments in the event that major changes in the group, the market or otherwise in the industry would occur, which would entail that resolved conditions for allotment and the possibility to use the performance share rights under LTIP 2018 would no longer be appropriate.

5. Hedging of commitments according to LTIP 2018 - Acquisitions and ***transfers*** of own shares

The board of directors proposes that the annual general meeting resolve to authorise the board of directors to acquire maximum 337,634 shares and that the annual general meeting resolves on a ***transfer*** of a maximum of 289,975 own shares for the following purposes:

· Securing delivery of shares at exercise of the performance share rights.

· Securing and covering social security charges triggered by LTIP 2018.

Acquisitions shall be made on Nasdaq Stockholm on one or several occasions and until the next annual general meeting at a price within the at each time prevailing price interval for the share on Nasdaq Stockholm. The full proposal regarding authorization for the board of directors to acquire own shares is included in item 15 b).

Further, the board of directors proposes that the annual general meeting resolves to ***transfer*** a maximum of 289,975 shares acquired in accordance with the foregoing. ***Transfers*** shall be made to the participants of LTIP 2018 in accordance with the terms of LTIP 2018. The full proposal regarding ***transfers*** of own shares is included in item 15 c).

6. The value of and the estimated costs for LTIP 2018

Assuming 100 per cent vesting, full fulfilment of the performance requirement (EPS CAGR) and a share price at the time of exercise of the performance share rights of SEK 59.99, LTIP 2018 will result in the allocation of 289,975 shares in the company, representing a value of SEK 20.1 million.

The board of directors has made estimates of the costs for LTIP 2018. The estimates are based on the assumption of a share price at the time of exercise of the performance share rights of SEK 59.99, that the maximum number of performance share rights is allocated and an average EPS CAGR of 8.75 per cent (i.e. 50 per cent performance) during the period 1 January 2018-31 December 2020. Based on these assumptions, the costs for LTIP 2018 are estimated to be approximately SEK 8.7 million, excluding social security charges. At an average EPS CAGR of at least 12.5 per cent (i.e. 100 per cent performance) during the period 1 January 2018-31 December 2020, the costs are estimated to be approximately SEK 17.4 million, excluding social security charges.

The social security charges for LTIP 2018 are estimated to be approximately SEK 1.4 million, based on the above assumptions, including an average EPS CAGR of 8.75 per cent (i.e. 50 per cent performance) during the period 1 January 2018-31 December 2020, and an average social security tax rate of 16 per cent. At an average EPS CAGR of at least 12.5 per cent (i.e. 100 per cent performance) during the period 1 January 2018-31 December 2020, the social security charges are estimated to be approximately SEK 2.7 million.

The board of directors has proposed that the effect on cash flow that may arise as a result of social security charges payable when the performance share rights are exercised be hedged by way of acquisitions of own shares in the market.

The costs for LTIP 2018 are in accordance with IFRS 2 determined on the allotment date and allocated over the Vesting Period. In accordance with IFRS 2, the theoretical value of the performance share rights shall form the basis of the calculation of these costs. The theoretical value shall not be re-valued in subsequent reporting periods, although adjustments shall be made in conjunction with every financial report for the performance share rights that have not been vested. In this manner, the accumulated costs at the end of the Vesting Period will correspond to the number of performance share rights that fulfil the conditions.

7. Dilution and effects on key ratios

No new shares will be issued in the company due to LTIP 2018. However, the company will need to acquire 337,634 own shares, corresponding to approximately 0.51 per cent of the outstanding shares and votes in the company at the date of this notice, in order to secure delivery of shares under LTIP 2018 and to secure and cover social security charges.

The costs for LTIP 2018 are expected to have a marginal effect on the group's key ratios.

8. The objectives of the proposal and reasons for deviations from the shareholders' preferential rights

The board of directors considers the existence of effective share-related incentive ***programs*** for key employees of the company to be of material importance for the development of the company. The proposed ***program*** creates a common group focus for the key employees in the different parts of the group. By linking the key employees' remuneration to the company's earnings, long-term value growth is rewarded, which increases the alignment between the interests of the key employees and the company's shareholders.

In light of these circumstances, the board of directors considers that LTIP 2018, with regard to the terms and conditions, the size of the allotment and other circumstances, is reasonable and advantageous for the company and its shareholders.

Preparation of proposal

The proposal has been prepared by the remuneration committee in consultation with the board of directors and external advisors. The resolution to propose LTIP 2018 to the annual general meeting has been taken by the board of directors.

Outstanding incentive ***programs*** in the company

The annual general meeting 2016 adopted a long-term incentive plan for 19 senior executives and key employees and the annual general meeting 2017 adopted a long-term incentive plan for 22 senior executives and key employees. LTIP 2016 and LTIP 2017 have essentially the same design as the now proposed LTIP 2018. A maximum of 209,976 shares may be awarded under LTIP 2016 and a maximum of 251,386 shares may be awarded under LTIP 2017.

Majority vote requirement

A resolution in accordance with the board of directors' proposal regarding the implementation of LTIP 2018 requires support from shareholders representing more than half of the votes cast at the meeting.

A resolution in accordance with the board of directors' proposal regarding authorisation to the board of directors to acquire shares in the company is valid only if supported by shareholders holding no less than two thirds (2/3) of both the votes cast and the shares represented at the meeting.

A resolution in accordance with the board of directors' proposal regarding resolution to ***transfer*** shares to the participants of LTIP 2018 is valid only if supported by shareholders holding no less than nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

Item 15 b): Resolution on authorisation for the board of directors to resolve on acquisitions of own shares

The board of directors proposes, for the purposes of (1) securing delivery of shares to the participants of LTIP 2018 at exercise of the performance share rights, and (2) securing and covering costs that can be triggered by the LTIP 2018 (e.g. social security charges and tax), that the board of directors be authorised to, on one or several occasions and until the next annual general meeting, resolve on acquisition of shares in the company, on the following terms and conditions.

· A maximum of 337,634 shares in the company may be acquired, however only to such extent that, following each acquisition, the company holds a maximum of 10 per cent of all shares issued by the company.

· Acquisitions shall be made on Nasdaq Stockholm.

· Acquisitions shall be made at a price per share within the at each time prevailing price interval for the share on Nasdaq Stockholm.

· ***Payment*** for the shares shall be made in cash.

The board of directors has issued a reasoned statement pursuant to Chapter 19, section 22 of the Swedish Companies Act.

Item 15 c): Resolution on ***transfer*** of own shares

The board of directors proposes that, in order to secure delivery of shares at exercise of the performance share rights under LTIP 2018, a maximum of 289,975 own shares be ***transferred*** to the participants of LTIP 2018 on the following terms and conditions.

· The right to receive shares shall, with deviation from the shareholders' preferential rights, be granted to the participants in LTIP 2018, with right for each of the participants to receive no more than the maximum number of shares allowed under the terms and conditions for LTIP 2018. Furthermore, subsidiaries within the group shall have the right to receive shares, free of consideration, and such subsidiaries shall be obligated to immediately ***transfer***, free of consideration, such shares to the participants in LTIP 2018 in accordance with the terms and conditions of the ***program***.

· The participants' right to receive shares are conditional upon the fulfillment of all terms and conditions of LTIP 2018.

· The shares shall be ***transferred*** within the time period set out in the terms and conditions of LTIP 2018.

· The shares shall be ***transferred*** free of charge.

· The number of shares that may be ***transferred*** to the participants in LTIP 2018 may be recalculated due to share issues, splits, reverse splits and/or similar dispositions in accordance with the terms and conditions of LTIP 2018.

The rationale for the proposed ***transfers*** of own shares and for the deviation from the shareholders' preferential rights is to enable delivery of shares to the participants in LTIP 2018.

Item 16: Resolution on authorisation for the board of directors to resolve on issue of shares

The board of directors proposes that the board of directors be authorised to resolve on issues of shares in the company in accordance with the following.

· The board of directors may exercise the authorisation on one or several occasions until the next annual general meeting.

· The total number of shares issued pursuant to the authorisation shall not exceed 10 per cent of the total number of shares in the company as of the date of the annual general meeting's resolution.

· The board of directors may resolve on a deviation from the shareholders' preferential rights.

· In addition to cash ***payment***, shares may be paid in kind, with set-off rights or on terms stipulated in Chapter 2, section 5 of the Swedish Companies Act.

Where the board of directors resolve on an issue of shares with deviation from the shareholders' preferential rights, the reason for the deviation shall be to finance strategic growth, organic growth or other general corporate purposes.

The board of directors, or any person designated by the board of directors, shall be entitled to make the minor adjustments to the resolution that may be necessary in connection with registration with the Swedish Companies Registration Office.

SPECIAL MAJORITY RULES

A resolution in accordance with items 15 b) and 16 is only valid where supported by shareholders holding not less than two thirds (2/3) of the votes cast as well as the shares represented at the general meeting.

A resolution in accordance with item 15 c) is only valid where supported by shareholders holding not less than nine tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

NUMBER OF SHARES AND VOTES

At the date of this notice, the total number shares and votes in the company amounts to 66,060,890. At the date of this notice, the company holds 827,312 own shares, representing 827,312 votes.

SHAREHOLDERS' RIGHT TO REQUEST INFORMATION

The board of directors and the managing director shall, if a shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group.

DOCUMENTS

The complete proposals and other documents that shall be made available prior to the annual general meeting pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code will be made available at the company and at the company's website,   [*www.scandistandard.com*](http://www.scandistandard.com), not later than three weeks prior to the annual general meeting. The documents will also be sent free of charge to shareholders who so request and provide their address to the company.

\* \* \*

Stockholm in April 2018

Scandi Standard AB (publ)

The board of directors

[*Link to PDF File*](http://mb.cision.com/Main/7156/2498587/824237.pdf)

**Load-Date:** April 18, 2018

**End of Document**



[***FEDERAL REGISTER: Seed Cotton Changes to Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) Programs Pages 40653 - 40659 [FR DOC # 2018-17681]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T4K-PMC1-F0YC-N3HD-00000-00&context=1516831)

Impact News Service

August 16, 2018 Thursday

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**Length:** 7672 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Commodity Credit Corporation 7 CFR Part 1412 RIN 0560-AI40 Seed Cotton Changes to ***Agriculture*** Risk Coverage (ARC), Price Loss Coverage (PLC) ***Programs*** AGENCY: Farm Service Agency and Commodity Credit Corporation, USDA. ACTION: Final rule. ----------------------------------------------------------------------- SUMMARY: This rule revises the eligibility requirements, enrollment procedures, and ***payment*** calculation for ARC and PLC required to conform with the Bipartisan Budget Act of 2018 (BBA). BBA amends the ***Agricultural*** Act of 2014 (the 2014 Farm Bill) to add seed cotton as a covered commodity and remove generic base acres from ARC and PLC. This rule also amends provisions to include seed cotton yields, allocation of generic base acres, election of ARC-County Option (ARC-CO) or PLC for seed cotton base acres, and enrollment for 2018. This rule also makes some minor, clarifying changes to the administration section. DATES: Effective Date: August 16, 2018. 2018 ARC and PLC signup deadline: September 28, 2018. FOR FURTHER INFORMATION CONTACT: Brent Orr; telephone, (202) 720-7641. Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice). SUPPLEMENTARY INFORMATION: Background The ARC ***Program*** is an income support ***program*** which provides ***payments*** on historical base acres when actual crop revenue for a covered commodity declines below a specified guarantee level.

The PLC ***Program*** provides ***payments*** on historical base acres when the price for a covered commodity declines below its ``reference price.'' Eligible producers were required to make a decision to participate in either ARC or PLC, but not both, for the 2014 through 2018 crop ***years***. ARC and PLC are Commodity Credit Corporation (CCC) ***programs*** administered by the Farm Service Agency (FSA). The regulation in 7 CFR part 1412 as implemented in 2014 for the ARC and PLC ***Programs*** specified covered commodities authorized by the 2014 Farm Bill (Pub L. 113-79; 7 U.S.C 9011-9019). BBA amends the 2014 Farm Bill by adding seed cotton as a ``covered commodity'' for the 2018 crop ***year***. Since seed cotton will be included in the existing ARC or PLC ***programs***, FSA must establish certain ***program*** values including yields and prices to implement the changes. Upland cotton, which had previously been a covered commodity under prior FSA administered CCC commodity ***programs***, was no longer a covered commodity beginning with the 2014 Farm Bill; therefore, producers with historical upland cotton base acres were ineligible for assistance under ARC and PLC. Base acres of upland cotton under the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) in effect as of September 30, 2013, subject to any adjustment or reduction, became ``generic base acres'' beginning with the 2014 crop ***year***. Under terms of BBA, if a covered commodity, including seed cotton, was not planted or prevented from being planted on the farm during the 2009 through 2016 ***years***, the generic base acres become unassigned base acres, which are not eligible for any ARC or PLC benefits. Generic base acres no longer exist beginning with the 2018 crop ***year***. Seed Cotton Changes; PLC Yield; Generic Base Acres Allocation In order for an owner to take advantage of the BBA provisions for seed cotton, BBA specifies that a covered commodity, including seed cotton, must have been planted or prevented from being planted on the farm during the 2009 through 2016 ***years***. If the farm had land enrolled under a Conservation Reserve ***Program*** contract and base acres were reduced as a result of that enrollment during the 2009 through 2016 ***years***, the owner of that farm may allocate generic base acres to seed cotton base acres or other base acres based on the provisions of BBA. PLC requires a reference price for all covered commodities; BBA has established a reference price for seed cotton of $0.367 per pound. Determining a covered commodity yield is a necessary component to PLC. As amended, the 2014 Farm Bill and 7 CFR 1412.31 provide that the farm PLC yield for seed cotton will be initially set at 2.4 times the ***payment*** yield for upland cotton established under the 2008 Farm Bill (7 U.S.C 8714(e)(3)). As amended, the 2014 Farm Bill and 7 CFR 1412.33, specify that any current owner of the farm has a one-time option to update the PLC yield. Any current owner of a farm may update the PLC yield, which was the counter-cyclical ***payment*** yield under the former Direct and Counter-cyclical ***Program***, by certifying pounds of upland cotton lint in ***years*** in which upland cotton was planted on base acres from 2008 through 2012, which will then be averaged. ***Years*** in which the producer had no planted acres are not included in the simple average computation. The average yield for 2008 through 2012, excluding ***years*** in which no upland cotton was grown, will be multiplied by 90 percent, and the result will be multiplied by 2.4 to obtain a new PLC ***payment*** yield of pounds of seed cotton. In addition to updating the ***payment*** yield, current owners of a farm with generic base acres will be allowed to determine how those generic base acres are allocated as base acres of other covered commodities on the farm. As specified in BBA and in Sec. 1412.25, there are three options as follows; the producers may choose only one for allocating generic base acres on the farm: 1. Multiply the number of generic base acres in crop ***year*** 2018 by 80 percent to determine a total for seed cotton base acres. The remaining 20 percent will become unassigned base acres. 2. If a farm has history of planting upland cotton from 2009 through 2012 and the simple average of planted and prevented from being planted upland cotton during that time period is greater than 80 percent of the generic base acre total in crop ***year*** 2018, generic base acres may be allocated to seed cotton [[Page 40654]] base acres based on that simple average, not to exceed 100 percent of the generic base acres on the farm. If the simple average is less than 100 percent of the number of generic base acres, the residual generic base acres will become unassigned base acres. 3. Allocate the generic base acres on the farm to the 4-***year*** simple average of the planted and prevented from planted covered commodities on the farm during the 2009 through 2012 crop ***years***. The allocation is based on the share of each covered commodity in the total of covered commodities planted on the farm multiplied by the number of generic base acres on the farm. ***Years*** in which there were no covered commodities planted on generic acres will be used in the calculation of the simple average. Using this option eliminates unassigned base acres on the farm. For example: a. A farm has 100 cropland acres, 100 generic base acres, and had the following planted acres: [cir] For 2009, 25 acres of upland cotton and 75 acres of corn; [cir] For 2010, 75 acres of upland cotton and 25 acres of corn; [cir] For 2011, no acres of covered commodities; and [cir] For 2012, 100 acres of upland cotton. b. The simple average of the two planted covered commodities is 25 acres of corn and 50 acres of upland cotton. c. Corn, from b. above, is 33.33 percent of the total covered commodities planted on the farm (25 divided by 75 equals 33.33 percent), leaving 66.67 percent planted to upland cotton. d. Completing the calculation, 33.33 percent times 100 generic base acres equals 33.33 base acres of corn and 66.67 percent multiplied by 100 generic base acres equals 66.67 base acres of seed cotton. If an owner fails to make an allocation of generic base acres and has a covered commodity, including seed cotton, that was planted or prevented from being planted during the 2009 through 2016 crop ***years***, seed cotton base acres will be determined by FSA using the first option listed above, as is required by BBA. PLC and ARC-CO Election, Allocation by FSA and Enrollment After the yield update and base acre allocation is completed, all current producers on a farm with seed cotton base acres, except for farms having a valid ARC-Individual Farm Option (ARC-IC) election, must affirmatively and unanimously elect PLC or ARC-CO for seed cotton base acres during the single election period following a similar method to the previous election process in 2015. As required by BBA, if a unanimous election is not made, the producers on the farm will be deemed to have elected PLC for the seed cotton base acres for the 2018 crop ***year*** as specified in 7 CFR 1412.74; if the farm is enrolled for 2018, it will be deemed to have PLC or ARC-CO benefits, as may be applicable for any covered commodity (including seed cotton), based on any valid or default election on the farm. This provision is specified in the 2014 Farm Bill and is not changed by BBA; neither FSA nor CCC has any discretion to specify a different policy for farms that do not have a valid election made during the election period. During the previous election period under the 2014 Farm Bill, the producers on farms with generic base acres had the opportunity to make an election on all 21 covered commodities or have a default election of PLC apply; those elections remain in place and therefore, for the 2018 crop ***year*** it will only be necessary for all current producers on the farm to make an election of PLC or ARC-CO for seed cotton base acres. New elections for ARC-IC or for other covered commodities will not be permitted. Farms having a valid election of ARC-IC will continue to have ARC-IC as the election for the entire farm and for all covered commodities including seed cotton that was added as a covered commodity effective with the 2018 crop ***year*** for the life of the 2014 Farm Bill. Implementing these changes is a multi-step process and all steps must be completed in order by the appropriate person or legal entity as follows: 1. FSA will make a determination that a covered commodity was planted or prevented planted on the farm from 2009 through 2016; 2. FSA will make a determination of the planting history of covered commodities on the farm from 2008 through 2012;  2008 through 2012 is for calculating a seed cotton PLC yield, and      2009 through 2012 is for determining how generic base acres on a farm may be allocated;     3. A current owner will make an allocation of generic base acres according to Sec.  1412.25;     4. A current owner will make a determination of the PLC yield and update of that yield according to 7 CFR 1412.31;     5. The current producer(s) will make an election of either PLC or ARC-CO for seed cotton base acres according to Sec.  1412.71; and     6. The current producer(s) will enroll the applicable farm for the 2018 crop ***year*** according to Sec.  1412.41     As indicated above, the last step in the multi-step process is to enroll the farm for 2018. To participate in 2018, all eligible producers on farms must enroll following allocation and election to be potentially eligible for PLC and ARC benefits. BBA was enacted on February 9, 2018, and 2018 PLC and ARC enrollment had already begun. However, because BBA changed the conditions of contract participation for any farms having generic base acres, all farms having generic base acres that previously enrolled for 2018 must go through the process outlined above and, after that process is completed, reenroll the farm for 2018. Previous 2018 enrollments of farms having generic base acres will not be recognized as valid, as the provisions of BBA eliminate generic base acres. CCC has no authority to enter into 2018 contracts having generic base acres. As was the case with previous crop ***year*** enrollments, enrollments of portions of a farm are not allowed.

General Eligibility Requirements

    The general eligibility requirements are explained in the ARC or PLC contract appendix and in 7 CFR part 1412, except for adding seed cotton to the list of covered commodities.

Sharing ***Payments***

    Each eligible producer on a farm will be given the opportunity to enroll in ARC or PLC for a ***payment*** share determined to be fair and equitable as agreed to by all the producers on the farm and approved by the county committee. As specified in Sec.  1412.54(b), each producer leasing a farm must provide the FSA county committee with a copy of their written lease or, in the absence of a written lease, must provide a complete written description of the terms and conditions of any oral agreement or lease. The general eligibility requirements are explained in the ARC or PLC contract appendix and on 7 CFR part 1412, except for adding seed cotton to the list of a covered commodity. An owner's or landlord's signature, as applicable, affirming a zero share on a contract may be accepted as evidence of a cash lease between the owner or landlord and tenant, as applicable, as determined by FSA. For farms with seed cotton base acres, such signature or signatures, if entered on the contract to satisfy the requirement of furnishing a written lease, must be entered on the application by September 30, 2018.

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Signup Deadline

    The signup deadline is September 28, 2018 for 2018 ARC and PLC.

Notice and Comment

    In general, the Administrative Procedure Act (5 U.S.C 553) requires that a notice of proposed rulemaking be published in the Federal Register and interested persons be given an opportunity to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation, except when the rule involves a matter relating to public property, loans, grants, benefits, or contracts. This rule involved matters relating to benefits and is therefore being published as a final rule without the prior opportunity for comments. In addition, the regulations to implement the provisions of Title I and the administration of Title I of the 2014 Farm Bill are exempt from the notice and comment provisions of 5 U.S.C 553 and the Paperwork Reduction Act (44 U.S.C chapter 35), as specified in section 1601(c)(2) of the 2014 Farm Bill.

Executive Orders 12866, 13563, 13771 and 13777

    Executive Order 12866, ``Regulatory Planning and Review,'' and Executive Order 13563, ``Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 13777, ``Enforcing the Regulatory Reform Agenda,'' established a federal policy to alleviate unnecessary regulatory burdens on the American people.     The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, ``Regulatory Planning and Review,'' and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full cost benefit analysis is available on regulations.gov     Executive Order 13771, ``Reducing Regulation and Controlling Regulatory Costs,'' requires that in order to manage the private costs required to comply with Federal regulations that for every new significant or economically significant regulation issued, the new costs must be offset by the elimination of at least two prior regulations. The OMB guidance in M-17-21, dated April 5, 2017, specifies that ``***transfer*** rules'' are not covered by Executive Order 13771. ***Transfer*** rules are Federal spending regulatory actions that cause only income ***transfers*** between taxpayers and ***program*** beneficiaries. Therefore, this is considered a ***transfer*** rule by OMB and is not covered by Executive Order 13771.

Cost Benefit Analysis Summary

    Estimates of ***transfer*** ***payments*** from these ARC and PLC ***programs*** are based on supply, demand and price conditions and FSA projections for the 2018 crop. Based on the projections, the net increase in 2018-crop ARC and PLC ***payments*** is expected to be around $743 million. Allocation of generic base is expected to increase ARC and PLC ***payments*** by $1,067 million ($917 million for seed cotton and $150 million for other covered commodities) with offsets of $324 million from eliminating ARC and PLC ***payments*** on attributed generic base.     The changes are expected to have marginal impacts on supply, demand, and prices because the impacts are spread across the covered commodities and acreage shifts are expected to represent a small percentage of the respective covered commodity planted acreage. Peanut planted acreage is expected to decrease by approximately 15 percent, but peanut prices are not expected to change significantly because of ample peanut supplies. Peanut acres are expected to shift to other commodities such as corn and soybeans with greater market returns because eliminating generic base decouples ARC and PLC ***payments*** from planting decisions. Most seed cotton base acres are expected to elect and enroll in PLC.

Regulatory Flexibility Act

    The Regulatory Flexibility Act (5 U.S.C 601-612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121), generally requires an agency to prepare a regulatory flexibility analysis of any rule whenever an agency is required by the Administrative Procedure Act or any other law to publish a proposed rule, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule is not subject to the Regulatory Flexibility Act because neither CCC nor FSA are not required by Administrative Procedure Act or any law to publish a proposed rule for this rulemaking.

Environmental Review

    The environmental impacts of this final rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and the FSA regulations for compliance with NEPA (7 CFR part 799). This final rule will revise ARC and PLC, as mandated by BBA, to add a single commodity, seed cotton. The legislative intent for revising ARC and PLC ***programs*** is to provide income support to the same group of producers that were previously eligible for the earlier and now-discontinued ***programs***, direct and counter-cyclical ***payment*** ***program*** and average crop revenue election ***program***. On February 22, 2017, FSA completed an environmental review of ARC and PLC. FSA has determined that the addition of the commodity to the ***programs*** does not alter the environmental impacts, as assessed, or the related decisions. Therefore, FSA will not prepare a new environmental evaluation, assessment, or impact statement for this regulatory action.

Executive Order 12372

    Executive Order 12372, ``Intergovernmental Review of Federal ***Programs***,'' requires consultation with State and local officials that would be directly affect by proposed Federal financial assistance. The objectives of the Executive Order are to foster an intergovernmental partnership and a strengthened Federalism, by relying on State and local processes for State and local government coordination and review of proposed Federal Financial assistance and direct Federal development. For reasons specified in the final rule related notice to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), the ***programs*** and activities within this rule are excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

Executive Order 12988

    This rule has been reviewed under Executive Order 12988, ``Civil Justice Reform.'' This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The rule will not have retroactive effect. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR parts 11 and 780 must be exhausted.

[[Page 40656]]

Executive Order 13132

    This rule has been reviewed under Executive Order 13132, ``Federalism.'' The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government, except as required by law. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

Executive Order 13175

    This rule has been reviewed for compliance with Executive Order 13175, ``Consultation and Coordination with Indian Tribal Governments.'' The Executive Order 13175 requires to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal government and Indian tribes.     FSA has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that required tribal consultation under Executive Order 13175. If a tribe requests consultation, FSA will work with USDA Office of Tribal Relations to ensure meaningful consultation is provided.

The Unfunded Mandates Reform Act of 1995

    Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 ***year*** for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

SBREFA

    This rule is a major rule under the SBREFA (Pub. L. 104-121). SBREFA normally requires that an agency delay the effective date of a major rule for 60 days from the date of publication to allow for Congressional review. Section 808 of SBREFA allows an agency to make a major regulation effective immediately if the agency finds there is good cause to do so. Section 1601(c)(3) of the 2014 Farm Bill provides that the authority in Section 808 of SBREFA be used in implementing the changes required by Title I of the 2014 Farm Bill, as amended, such as for the changes being made by this rule. Consistent with section 1601(c)(3) of the 2014 Farm Bill, FSA therefore finds that it would be contrary to the public interest to delay the effective date of this rule because it would delay implementation of seed cotton as a covered commodity for ARC and PLC as required by the 2014 Farm Bill, as amended. The regulation needs to be effective to provide adequate time for producers to update base acres and yields in preparation for enrollment for 2018. Therefore, this rule is effective on the September 30, 2018.

Federal Assistance ***Programs***

    The title and number of the Federal Domestic Assistance ***Program*** found in the Catalog of Federal Domestic Assistance to which this rule applies are:

10.112--Price Loss Coverage 10.113--***Agriculture*** Risk Coverage

Paperwork Reduction Act of 1995

    The regulations in this rule are exempt from the requirements of the Paperwork Reduction Act (44 U.S.C Chapter 35), as specified in section 1601(c) of the 2014 Farm Bill, which provides that these regulations be promulgated and administered without regard to the Paperwork Reduction Act.

E-Government Act Compliance

    FSA and CCC are committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects in 7 CFR Part 1412

    Cotton, Feed grains, Oilseeds, Peanuts, Price support ***programs***, Reporting and recordkeeping requirements, Rice, Soil conservation, Wheat.

    For the reasons discussed above, CCC amends 7 CFR part 1412 as follows:

PART 1412--***AGRICULTURE*** RISK COVERAGE, PRICE LOSS COVERAGE, AND COTTON TRANSITION ASSISTANCE ***PROGRAMS***

0 1. The authority citation for part 1412 continues to read as follows:

    Authority: 7 U.S.C 1508b, 7911-7912, 7916, 8702, 8711-8712, 8751-8752, and 15 U.S.C 714b and 714c.

Subpart A--General Provisions

0  2. Amend Sec.  1412.1 as follows: 0 a. In paragraph (a), remove the words and punctuation ``, generic base acres,'' and add the words and punctuation ``seed cotton;'' immediately before the words ``pulse crops''. 0 b. Revise paragraph (b). 0 c. In paragraph (c), remove the words ``CTAP application or the''; 0 d. In paragraph (d), remove the words ``CTAP application or''; and 0 e. In paragraph (e), remove the words and punctuation ``and for CTAP, assistance under this part will be based on the physical location of the farm, as specified in part 718 of this title''.     The revision reads as follows:

Sec.  1412.1   Applicability, changes in law, interest, application, and contract provisions.

\* \* \* \* \*     (b) For crop ***year*** 2018, this part specifies how:     (1) Generic base acres are allocated to seed cotton base acres and unassigned base acres (generic base acres are not in effect for crop ***year*** 2018);     (2) A ***payment*** yield for seed cotton base acres is established;     (3) An election is made on seed cotton base acres; and     (4) Contracts are enrolled with seed cotton base acres. \* \* \* \* \*

0 3. Amend Sec.  1412.2 as follows: 0 a. In paragraph (a), remove the words and punctuation ``, PLC, and CTAP'' and add the words ``and PLC'' in their place; and 0 b. Revise paragraphs (e) and (f).     The revisions read as follows:

Sec.  1412.2   Administration.

\* \* \* \* \*     (e) The Deputy Administrator has the authority to permit State and county committees to waive or modify any non-statutory deadline specified in this part.     (f) Items of general applicability to ***program*** participants, including, but not

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limited to, application periods, application deadlines, internal operating guidelines issued to State and county offices, prices, yields, and ***payment*** factors established for ARC or PLC, are not subject to appeal in accordance with part 780 of this title.

0 4. Amend Sec.  1412.3 as follows: 0 a. Remove the definitions of ``2014 farm structure'' and ``Application''; 0 b. In the definition of ``Base acres'', revise the last sentence; 0 c. In the definition of ``Contract period'', remove the words ``or application'' and words and punctuation ``or ``application'' '', and remove the word ``the'' immediately before the words ``each ***program*** ***year***''; 0 d. Add the definition of ``Counter-cyclical ***payment*** yield'' in alphabetical order; 0 e. In the definition of ``Covered commodity'', add the words and punctuation ``seed cotton,'' immediately before the words ``pulse crops''; 0 f. Remove the definition of ``Eligible subsequently planted crop acreage''; 0 g. In the definition of ``Generic base acres'', remove the last two sentences and add in their place one new sentence; 0 h. In the definition of ``Initial crop'', remove the words ``or cotton''; 0 i. In paragraph (3) of the definition of ``Marketing ***year***'', add the words and punctuation ``, seed cotton,'' immediately after the word ``Peanuts''; 0 j. In the definition of ``***Payment*** acres'', remove paragraph (3); 0 k. Revise the definition of ``***Payment*** yield''; 0 l. Amend the definition of ``Reference price'' as follows: 0 i. In paragraph (13) remove the word ``and''; 0 ii. In paragraph (14) remove the punctuation ``.'' and add in its place the words and punctuation ``; and''; and 0 iii. Add new paragraph (15); 0 m. Add the definition of ``Seed cotton'' in alphabetical order; 0 n. In the definition of ``Supportive and necessary contractual documents'', remove the words ``or CTAP application''; and 0 o. Add the definition of ``Unassigned base acres'' in alphabetical order.     The revisions and additions read as follows:

Sec.  1412.3   Definitions.

\* \* \* \* \*     Base acres \* \* \* The term ``base acres'' includes any unassigned base acres. \* \* \* \* \*     Counter-cyclical ***payment*** yield means the farm's upland cotton yield as specified in the regulations for 7 CFR part 1412 that were in effect as of September 30, 2013. \* \* \* \* \*     Generic base acres \* \* \* For 2018, generic base acres are subject to allocation according to Sec.  1412.25 \* \* \* \* \*     ***Payment*** yield means for a farm for a covered commodity, the yield established under subpart C of this part. \* \* \* \* \*     Reference price \* \* \*     (15) Seed cotton, $0.367 per pound. \* \* \* \* \*     Seed cotton means unginned upland cotton that includes both lint and seed. \* \* \* \* \*     Unassigned base acres means the number of acres derived from generic base acres where no ARC or PLC ***payments*** are generated or earned. \* \* \* \* \*

Subpart B--Establishment of Base Acres for a Farm for Covered Commodities

0 5. Amend Sec.  1412.23 as follows: 0 a. Revise the section heading; and 0 b. In paragraphs (a), (b), and (c), remove the words ``and generic base acres'' in each place they appear.     The revision reads as follows:

Sec.  1412.23   Base acres, and Conservation Reserve ***Program***.

\* \* \* \* \*

0 6. Amend Sec.  1412.24 as follows: 0 a. Revise the section heading; 0 b. In paragraph (a)(1), remove the words and punctuation ``and generic base acres (which are equal to upland cotton base acres used for CTAP)''; 0 c. Revise paragraph (b); 0 d. In paragraph (d)(1), remove the words and punctuation ``, including generic base acres (and the equal amount of upland cotton base acres),''; and 0 e. In paragraph (f), remove the words and punctuation ``and generic base acres (resulting in an equal amount of upland cotton base acres)''.     The revisions read as follows:

Sec.  1412.24   Limitation of total base acres on a farm.

\* \* \* \* \*     (b) The Deputy Administrator will give the owner of the farm the opportunity to select the base acres against which any reduction required in this section will be made. Absent the owner selecting the base acres for reduction, CCC will apply a pro-rata reduction against the base acres before computing and issuing any ***payments*** for the ***program*** ***year*** when a reduction becomes necessary. \* \* \* \* \*

0 7. Revise Sec.  1412.25 to read as follows:

Sec.  1412.25   Allocation of generic base acres on a farm and updating of records.

    (a) Any or all of the current owner(s) of a farm with generic base acres adjusted as of February 9, 2018, will have a one-time opportunity in an allocation period as announced by FSA, if a covered commodity including upland cotton was planted or prevented from being planted during the 2009 through 2016 crop ***years***, to:     (1) Allocate the farm's generic base acres to seed cotton base acres in a quantity equal to the greater of:     (i) 80 percent of the generic base acres on the farm; or     (ii) The average number of upland cotton acres planted and prevented from being planted on the farm during the 2009 through 2012 crop ***years***, not to exceed the total generic base acres on the farm; or     (2) Allocate base acres for covered commodities, including seed cotton, by applying paragraph (e) of this section.     (b) Under no circumstances will the allocation of generic base acres on a farm as specified in paragraph (a) of this section result in any increase in total base acres on a farm. Additionally, if any current owner submits a written statement that conflicts with the allocation request or expresses written disagreement with the allocation filed according to paragraph (a) of this section, no allocation will be approved for the farm unless all the current owners of the farm provide FSA with written evidence of the dispute resolution during the allocation period.     (c) FSA will provide the farm operator and owners of record with a summary of all covered commodities P&CP acres and subsequently planted crop acreage for the 2008 through 2012 crop ***years*** (as reported to FSA on acreage reports filed with FSA in each of those ***years***). Acreage not reported to FSA by producers will not be included in the summary. The summary of records specified in paragraph (c) of this section is intended to assist current owners of farms with the one-time opportunity for generic base acre allocation as provided in this section. Any current owner of a farm may also at any time visit the FSA county office and request to obtain a copy of the summary referenced in paragraph (c) of this section.     (d) Current owners will be provided a one-time opportunity to update the records identified in paragraph (c) of this section during the allocation period, provided that there are crop

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insurance records (or other verifiable documentation available to support those requested updates). In the event that an update to a farm's P&CP acres of a covered commodity for 2009 through 2012 causes any ***payment*** under another FSA or CCC ***program*** to become unearned, the overpayment must be refunded to FSA or CCC in accordance with the rules for that ***program*** and the FSA or CCC regulations governing overpayment (7 CFR parts 718 and 1403).     (e) After an update as specified in paragraph (d) of this section, the owner may allocate the farm's generic base acres during the allocation period based on a proration of each covered commodity's P&CP acres or subsequently planted crop acreage in crop ***years*** 2009 through 2012 to the total P&CP acres or subsequently planted crop acreage of all covered commodities during that time.     (f) Current owners can allocate generic base acres at any time during the allocation period without receiving or requesting the summary records, and, therefore, failure to receive a summary record from FSA is not grounds for appeal or extension of the allocation period.     (g) The option to allocate generic base acres is an ``all or nothing'' decision for the farm. Generic base acres will not be retained, partially or in whole. A decision by any current owner to allocate generic base acres on a farm in accordance with this section is final and binding if made according to this section during the allocation period unless that allocation is withdrawn in writing by that current owner or another current owner. If another current owner subsequently files a different allocation request in whatever time remains in the stated allocation period or if there are conflicting allocation requests of current owners in the allocation period, FSA will not make the allocation unless the conflict is resolved via written agreement between the current owners who filed the conflicting requests. In the event that a resolution is not presented, the provisions of paragraph (h) of this section will take effect. In the case of submitting evidence of resolution, the written agreement must be filed with FSA in the allocation period. Any and all updates and allocation requests mentioned in this section are subject to review and approval or disapproval by FSA for CCC.     (h) In the event that an owner fails to make an allocation according to this part and the farm has met the planting requirement in paragraph (a) of this section, the farm will receive an allocation of seed cotton base acres in accordance with paragraph (a)(1)(i) of this section.

Subpart C--Establishment of Price Loss Coverage Yields and Submitting Production

0 8. Amend Sec.  1412.31 as follows: 0 a. In paragraph (a), remove the word ``The'' and add the words ``Except for seed cotton'' in its place and remove ``Sec.  1412.33 or Sec.   1412.34, whichever is applicable'' and add ``Sec.  1412.34'' in their place. 0 b. Redesignate paragraph (b) as paragraph (c) and add new paragraph (b). 0 c. In newly redesignated paragraph (c), remove the words and punctuation ``or for which a covered commodity is planted on generic base acres,''.

Sec.  1412.31   PLC yields for covered commodities.

\* \* \* \* \*     (b) The PLC yield for seed cotton on the farm is equal to the counter-cyclical ***payment*** yield established for upland cotton on the farm as in effect September 30, 2013, times 2.4, unless the PLC yield is updated as specified in Sec.  1421.33 \* \* \* \* \*

0 9. Amend Sec.  1412.32 as follows: 0 a. Revise the section heading; 0 b. In paragraph (a), remove the words and punctuation ``(except generic base acres),''; and 0 c. In paragraph (e), remove the reference to ``Sec.  1412.35'' and add ``Sec.  1412.36'' in its place.     The revision reads as follows:

Sec.  1412.32   Updating PLC yield for all covered commodities except seed cotton.

\* \* \* \* \*

Sec.  Sec.  1412.33 through 1412.35  [Redesignated as Sec. Sec.   1412.34 through 1412.36]

0 10. Redesignate Sec. Sec.  1412.33 through 1412.35 as Sec. Sec.   1412.34 through 1412.36

0 11. Add new Sec.  1412.33 to read as follows:

Sec.  1412.33   Updating PLC yield for seed cotton.

    (a) For a farm that has seed cotton base acres as adjusted, in excess of zero acres, a current owner of the farm has a one-time opportunity in a specified period, as announced by FSA, to update the PLC yield equal to 90 percent of the upland cotton's 2008 through 2012 average yield per planted acre, excluding from the average any ***year*** that no acreage was planted to upland cotton, times 2.4 If the yield per planted acre in any of the ***years*** 2008 through 2012 is less than 75 percent of the average of the county yield, then 75 percent of the average of the 2008 through 2012 county yields will be substituted for that ***year***.     (b) The current owner of the farm may retain the PLC yield or update the PLC yield.     (c) PLC yields are exclusively used for PLC. However, any owner of a farm can update the seed cotton PLC yield as specified in paragraph (a) of this section, regardless of ***program*** election, enrollment, or participation.     (d) A decision by any current owner of a farm to update the seed cotton PLC yield as specified in this section is final and binding unless that decision to update the yield is withdrawn by that current owner or a different yield update is made by that current owner or another current owner. If that current owner or another current owner requests a different PLC yield update for the covered commodity during the yield update period specified in paragraph (a) of this section, that update will become final.     (e) All PLC yield updates are subject to review and approval by FSA as specified in Sec.  1412.36 FSA's decision to issue ***payments*** based on the PLC yield updated by an owner is subject to verification and spot check by FSA at any time.     (f) Yield updates in this section will be permitted using the current owner's certification of yield. The certification is subject to spot check or verification by FSA at any time. If selected for spot check or verification, the owner must submit evidence specified in Sec.  1412.35 to support the certified yield.

Sec.  1412.34   [Amended]

0 12. In newly redesignated Sec.  1412.34(b)(2)(i) and (c), remove each cross reference to ``Sec.  1412.34'' and add ``Sec.  1412.35'' in their place.

Subpart D--ARC and PLC Contract Terms and Enrollment Provisions for Covered Commodities

0 13. Amend Sec.  1412.41 as follows: 0 a. Revise paragraph (a)(2); 0 b. In paragraph (b), remove the words and punctuation ``June 1 of the applicable contract ***year***,'' and add in their place ``September 30, 2018,''; 0 c. In paragraph (e), remove ``2015 or subsequent'' and add ``2018'' in its place, and remove ``2015 and subsequent crop ***year***''; and 0 d. Add paragraph (f).     The revision and addition read as follows:

Sec.  1412.41   ARC or PLC ***program*** contract.

    (a) \* \* \*

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    (2) For ***program*** ***year*** 2018, the enrollment period will end on September 30, 2018.     (i) Eligible producers must execute and submit an ARC or PLC ***program*** contract not later than September 30, 2018, for fiscal ***year*** 2018 contracts.     (ii) Except as stated in this section, enrollment is not allowed after September 30 of the fiscal ***year*** in which the ARC or PLC ***payments*** are requested. FSA will not process offers of enrollment for a contract period after the contract period has ended. This is not a compliance provision but a rule of general applicability and will apply to every offer to contract in each contract ***year***. \* \* \* \* \*     (f) Any 2018 contract for a farm that includes generic base acres, whether or not that contract was approved on behalf of CCC, is invalid and withdrawn. Eligible producers on farms that had generic base acres must enroll in accordance with paragraph (a) of this section after allocation has been completed. Any contract executed before allocation in Sec.  1412.25 will not be recognized by CCC for any purpose.

Sec.  Sec.  1412.44 and 1412.45   [Removed and Reserved]

0 14. Remove and reserve Sec. Sec.  1412.44 and 1412.45

Sec.  1412.46   [Amended]

0 15. In Sec.  1412.46 (f), remove the last sentence.

Subpart E--Financial Considerations Including Sharing ***Payments***

Sec.  1412.51   [Amended]

0 16. Amend Sec.  1412.51 as follows: 0 a. Remove paragraph (b); 0 b. Redesignate paragraphs (c) through (e) as (b) through (d), and; 0 c. In newly redesignated paragraph (d), remove the words ``including any generic base acres''.

Sec.  1412.52   [Amended]

0 17. In Sec.  1412.52(a), remove the words ``each of the 2014 through'' and add the word ``the'' in their place.

0 18. Amend Sec.  1412.53 as follows: 0 a. In paragraph (a) introductory text, remove ``each of the 2014 through'' and add ``the'' in their place; 0 b. In paragraph (b) introductory text, remove ``each of the 2014 through'' and add ``the'' in their place; and 0 c. Revise paragraph (e).     The revision reads as follows:

Sec.  1412.53   ARC ***payment*** provisions.

\* \* \* \* \*     (e) FSA has determined the irrigated and non-irrigated counties and crops for the 2018 ***program*** ***year***. \* \* \* \* \*

Sec.  1412.54   [Amended]

0 19. Amend Sec.  1412.54 as follows; 0 a. In paragraph (a), remove the words ``apply for CTAP as specified in subpart H of this part and annually''; 0 b. In paragraph (b), remove the words ``applies for CTAP or elects and''; 0 c. In paragraph (c), remove the words ``CTAP ***payment*** or''; 0 d. In paragraph (d)(4), remove the words ``ARC, PLC, or CTAP'' and add the words ``ARC or PLC'' in their place both times they appear; 0 e. In paragraph (f) introductory text, remove the first sentence; 0 f. In paragraph (f)(2), remove the words ``of this part''; and 0 f. In paragraph (h), remove the words ``a CTAP application or'' and add the word ``an'' in their place, and remove the words and punctuation ``CTAP application, or'' in both places.

Sec.  1412.55   [Amended]

0 20. In Sec.  1412.55(a)(1), remove the words and punctuations ``ARC, PLC, or CTAP'', and add ``ARC or PLC'' in their place.

Subpart F--Violations and Compliance Provisions

Sec.  1412.61   [Amended]

0 21. In Sec.  1412.61, remove ``or CTAP application, as applicable'' and remove ``or CTAP application''.

Sec.  1412.63   [Amended]

0 22. In Sec.  1412.63, remove the words ``or CTAP application''.

Sec.  1412.64   [Amended]

0 23. Amend Sec.  1412.64 as follows: 0 a. In paragraph (a), remove ``ARC, PLC, and CTAP'' and add ``ARC or PLC'' in its place, and remove the words ``or application''; 0 b. In paragraph (b) introductory text, remove ``ARC, PLC, or CTAP'' and add ``ARC or PLC'' in its place; and 0 c. In paragraph (b)(3), remove the words and punctuation ``, CTAP application,''.

Sec.  1412.66   [Amended]

0 24. In Sec.  1412.66(a), remove ``ARC, PLC, and CTAP'' and add ``ARC or PLC'' in their place.

Sec.  1412.69   [Amended]

0 25. In Sec.  1412.69, remove ``CTAP participants and enrolled'' and add ``Enrolled'' in its place.

Subpart G--ARC and PLC Election

0 26. Amend Sec.  1412.71 as follows: 0 a. Remove paragraph (c); 0 b. Redesignate paragraph (d) as paragraph (c); 0 c. In newly redesignated paragraph (c), remove the first sentence, remove ``The'' and add ``In general, a'' in its place; and 0 d. Add new paragraph (d).     The addition reads as follows:

Sec.  1412.71   Election of ARC or PLC.

\* \* \* \* \*     (d) Beginning with the 2018 crop ***year***, a valid election for seed cotton is required for all current producers on a farm where seed cotton is added as a covered commodity, as specified in Sec.  1412.25, unless the farm contains a valid ARC-IC election. A valid ARC-IC election on a farm is for all covered commodities and will include the added covered commodity of seed cotton. This election is for seed cotton only. All other covered commodities on a farm with seed cotton base acres have an election on file and will be bound by that prior election. The election by all current producers is to obtain:     (1) PLC for seed cotton base acres, or     (2) ARC-CO for seed cotton base acres. \* \* \* \* \*

0 27. In Sec.  1412.74, add paragraph (c) to read as follows:

Sec.  1412.74   Failure to make election.

\* \* \* \* \*     (c) If a valid election is not made for seed cotton base acres on a farm, the producers of seed cotton base acres on the farm are deemed to have elected PLC for acres allocated on the farm to seed cotton for the 2018 crop ***year***.

Steven Peterson, Acting Administrator, Farm Service Agency. Robert Stephenson, Executive Vice President, Commodity Credit Corporation. [FR Doc. 2018-17681 Filed 8-15-18; 8:45 am]  BILLING CODE 3410-05-P

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**End of Document**



[***Washington: Summary of Disaster Supplemental***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R72-3W41-JDG9-Y30S-00000-00&context=1516831)

Impact News Service

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**Length:** 2302 words

**Body**

Washington, DC: U.S House of Representatives Committee on Appropriations has issued the following press release:

On Monday, December 18th, the House majority introduced a third disaster supplemental following hurricanes and wildfires of summer and fall 2017.

The package totals $81 billion, with the vast majority directed toward FEMA’s Disaster Relief Fund ($27.5 billion), Community Development Block Grants ($26 billion), and Army Corps of Engineers repairs and resiliency ($12.1 billion).

While some funding levels are robust, this package is not the product of bipartisan negotiation and compromise.

    It fails to include critical priorities of Democrats, including addressing Medicaid shortfalls in Puerto Rico and the U.S Virgin Islands and investing in safe drinking water systems in disaster-affected states and territories.     Further, this package fails to waive unworkable cost-share requirements for FEMA and Army Corps of Engineers ***programs*** that will hinder the effectiveness of federal funding, and it unjustifiably inserts an oversight board in Puerto Rico’s recovery.

Had the majority worked with Democrats in a bipartisan way, these shortcomings could have been fixed prior to introducing the package.

Please see a section-by-section summary below.

.pdf version of summary

***Agriculture***

The ***Agriculture*** title includes:

    $400 million for the Emergency Conservation ***Program***, of which not less than $300 million is for Stafford Act-designated disasters     $541 million for the Emergency Watershed Protection ***Program***, of which not less than $400 million is for Stafford Act-designated disasters     Not more than $40 million for Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish ***Program***.     $19 million for loans for rehabilitation of damaged USDA multi-family properties     $22 million for repair of damaged ***Agriculture*** Research Service buildings and facilities     $165.5 million in grants for damaged waste and water disposal systems     $24 million for the Emergency Food Assistance ***Program*** for hurricane and wildfire-affected states and territories.

Additional language included:

    Allowing USDA to issue block grants to disaster-affected areas or to provide direct assistance through the Farm Service Agency     Making cottonseed eligible for certain farm bill ***programs***     Expanding 5-state pilot ***program*** to address possible duplicate enrollments among SNAP beneficiaries

The ***Agriculture*** title fails to include a proposal by Democrats for $14 million to rebuild WIC clinics in Puerto Rico and U.S Virgin Islands.

Commerce, Justice, Science

The CJS title of the emergency disaster supplemental includes:

    $600 million for Economic Development Administration disaster assistance     $200.1 million for the National Oceanic and Atmospheric Administration (NOAA) to repair and replace damaged equipment; weather forecasting improvements; marine debris assessment and removal; and mapping, charting, and geodesy services     A total of $35.2 million for the U.S Marshals Service, FBI, and Drug Enforcement Administration     $50 million for the Federal Bureau of Prisons     $81.3 million for NASA for repairs to damaged facilities     $16.3 million for repairs to National Science Foundation radio telescope facilities     $1 million for the mobile resources, technology, and disaster coordinators for Legal Services Corporation, with a long list of restrictions on activities of local attorneys.

This title fails to include priorities of Democrats, including:

    NOAA fisheries disaster assistance     NOAA Coastal Resilience Grants     National Oceans and Coastal Security Funding     Language waiving cost-share requirement for Economic Development Administration (EDA) disaster assistance     Additional funding for Legal Services Corporation direct representation

Defense

The Defense title of the emergency disaster supplemental includes $434 million in Operation and Maintenance funding to military services for restoration of damaged facilities, outfitting of facilities replaced and reinstalling of equipment removed prior to the Hurricanes' landfall.

Included within that $434 million is $18 million in procurement funding for the Navy to replace items such as physical security equipment and furnishings in damaged facilities.

Energy & Water Development

The Energy & Water Development title of the disaster supplemental includes:

    $12.1 billion for the Army Corps of Engineer for disaster-affected areas, including:         $10.5 billion to expedite studies and construction for flood and storm damage reduction projects         $1.6 billion for repairs of Corps projects     $21.7 million for the Department of Energy for studies related to disaster response and for repairs to Strategic Petroleum Reserve sites.

The E&W title does not include a House and Senate minority priority to waive cost-sharing requirements for projects not yet under construction in Puerto Rico and the U.S Virgin Islands.

Financial Services & General Government

The Financial Services & General Government title of the disaster supplemental includes:

    $1.65 billion for Small Business Administration Disaster Loan Assistance     $126.905 million for the General Services Administration Federal Buildings Fund to repair damage to federal facilities incurred by disasters.

Homeland Security

The Homeland Security title of the emergency disaster supplemental includes:

    $25 million for the Office of the Inspector General to audit use of disaster funding.     $103.5 million for CBP operations, primarily to replace lost customs revenue associated with infrastructure damage     $64 million to repair damaged ICE facilities and equipment and replace lost customs revenue associated with infrastructure damage     $10.3 million to repair or replace TSA facilities and equipment     $10.4 million for Federal Law Enforcement Training Centers in Glynco, GA and Charleston, SC     $112.1 million for Coast Guard Operating Expenses, $4 million for environmental work, and $718.9 million for Acquisition, Construction, and Improvements to restore facilities damaged by hurricanes and mitigate future disaster impacts     $27.5 billion for FEMA’s Disaster Relief Fund (DRF), including requested authority to ***transfer*** up to $4 billion to the Disaster Assistance Direct Loan ***Program***.

Authorizing language included:

    Requiring Puerto Rico to submit a recovery plan for certification by the PROMESA oversight board.     Establishing a 90% federal cost-share for debris removal for major disasters declared in 2017 as a result of wildfires.     FEMA reform bill, including changes to the Stafford Act.     Authority for FEMA to waive the pre-disaster condition limitation for critical systems in Puerto Rico and the U.S Virgin Islands; the Administration proposed a broader authority to waive this limitation for all damaged facilities and systems in Puerto Rico.

This title fails to include the following priorities of the Democrats:

    $42 million to fully restore the San Juan Customs House to operational condition.     $92.2 million in additional Coast Guard projects.     Authority to allow federal disaster response personnel to receive overtime pay above the normal statutory cap.     Authority for FEMA to waive the local cost share for Puerto Rico and the U.S Virgin Islands for FEMA Public Assistance.     Authority for FEMA to award the full cost of replacing facilities and systems in Puerto Rico and the U.S Virgin Islands with more efficient and resilient systems.     Authority to extend the period of consideration for revenue loss used in the calculation of Community Disaster Loans.

Interior

The Interior title of the emergency disaster supplemental includes:

    $225 million for National Park Service construction and historic preservation     $210.6 million for the U.S Fish and Wildlife Service for removal of debris and hazardous materials, and repair of facilities, roads and bridges, and water systems     $42.2 million for the U.S Geological Survey for repair and replacement of streamgages and seismic monitors, collection of high resolution data to inform recovery efforts     $13.2 million for the Environmental Protection Agency Hazard Substances Superfund and Leaking Underground Storage Tank Trust Fund     $119.8 million for the U.S Forest Service for removal of debris and hazardous materials, repair and rehabilitation of facilities, and assessment of forest damage and forest restoration

The Interior title fails to include:

    $500 million in Resiliency Grants through the Department of the Interior, critical mitigate damage incurred by future disasters.     $725 million for Assistance to Territories through the DOI Office of Insular Affairs     $66 million in additional requested funding for the Leaking Underground Storage Tank Trust Fund     $229 million in State and Tribal Assistance Grants for Hazardous waste     $706 million for State Revolving Funds for water infrastructure in Texas and Florida     $2.5 billion in State Revolving Funds for water infrastructure in Puerto Rico and U.S Virgin Islands     $100 million for the U.S Forest Service for wildland firefighting and mitigation

Labor, HHS, and Education

The L-HHS-Ed title of the emergency disaster supplemental includes:

    $2.5 billion to help restart elementary and secondary schools and assist school districts receiving displaced students.     Up to $120 million for colleges and universities enrolling displaced students, and up to $200 million for colleges and universities to re-open.     $25 million for school districts serving displaced homeless students     $650 million for Head Start to help grantees recover and restart services     $200 million for CDC mosquito eradication, infectious disease response, environmental health, and repairs to facilities.     $80 million for Preparedness and Response (ASPR) to hire emergency personnel, replace emergency medical supply caches, and upgrade equipment     $60 million for Community Health Centers for renovation, construction, equipment, and operations     $20 million for SAMHSA to support behavioral health treatment, crisis counseling, and other related activities     $15 million for NIH to repair or rebuild non-federal biomedical and behavioral research facilities     $30 million for Department of Labor National Emergency Grants     $30.9 million to rebuild Job Corps centers in Puerto Rico

Authorizing language included:

    Allowing temporary direct hiring authority for CDC and ASPR emergency response personnel     Allowing 100% of disadvantaged youth workforce investment funds to be ***transferred*** to adult and dislocated worker ***programs***.  House minority opposes this provision.     Deferring U.S Virgin Islands Unemployment Insurance interest ***payments***

This title fails to include the following priorities of Democrats:

    Federal funding for Medicaid in Puerto Rico and the U.S Virgin Islands.  Democrats had requested $4.9 billion and $150 million over two ***years***, respectively, as well as 100% federal funding (FMAP) for that period.  Medicaid ***programs*** in the territories are expected to exhaust current funds in early 2018 without emergency funding.     $1 billion for Social Services Block Grant (SSBG) to provide flexible funding for hurricane and wildfire-affected areas.     $65 million for Corporation for National and Community Service

Legislative Branch

The Legislative Branch title of the emergency disaster supplemental includes:

    $14 million for GAO audits and investigations relating to use of federal disaster recovery funds

Authorizing language included:

    Requiring GAO to submit to Congress a report on the U.S Virgin Islands economic and disaster recovery plan and internal controls to oversee disaster funds.     Requires OMB to issue guidance for federal agencies to use in designing internal controls of disaster recovery spending     Prohibits FEMA from reimbursing states or municipal governments that do not allow FEMA or GAO to audit and review contracts.

Military Construction & Veterans Affairs

The Military Construction & Veterans Affairs title of the emergency disaster supplemental includes:

    $202 million for Navy and Marine Corps construction, including $187 million for construction projects in Corpus Christi, TX and Key West, FL; and $14.9 million for planning and design associated with these projects.     $519.3 million for Army National Guard construction, including $458 million for ten projects in Puerto Rico, $22.8 million for two projects in the U.S Virgin Islands, and $38.5 million for planning and design associated with these projects.     $89.4 million for the Veterans Health Administration for repairs to medical facilities and for personnel     $4.1 million for infrastructure repairs at the national cemetery in Puerto Rico

Transportation-HUD

The Transportation-HUD title of the emergency disaster supplemental includes:

    $114.6 million for the Federal Aviation Administration, including funding for operational expenses and to repair facilities and equipment     $1.37 billion for the Federal Highway Administration Emergency Relief ***Program*** to reimburse states for damage to roads and bridges     $269 million for the Federal Transit Administration, Public Transportation Emergency Relief ***Program*** to rebuild public transit systems     $10 million for the Maritime Administration to repair damaged facilities     $26 billion for Community Development Block Grants - Disaster Recovery, including:         $13.56 billion for unmet recovery needs from 2017 disasters; and         $12.5 billion for additional mitigation activities and communities that received CDBG-DR grants 2011-2017.

Authorizing language included:

    Authority for Puerto Rico to use surplus toll credits for local share of FHWA Emergency Relief     Removes cap on FHWA assistance to territories for FY2018 and FY2019.

**Load-Date:** December 20, 2017

**End of Document**



[***Roane/Calhoun County FSA Updates Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SR7-M1T1-JDG9-Y2CX-00000-00&context=1516831)

Impact News Service

November 30, 2018 Friday

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**Length:** 810 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

November 2018 Bulletin Masthead

Having trouble viewing this email? View it as a Web page.

Insert table of contents here if including three articles, then delete this content block.

    FSA Encourages Farmers and Ranchers to Vote in County Committee Elections     Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish ***Program*** (ELAP)     Farm Loan Graduation Reminder

Roane/Calhoun County FSA Updates

Roane/ Calhoun County FSA Office

677 Ripley Rd Suite 2 Spencer, WV 25276

Phone: 304-927-1022

Fax: 855-857-6466

County Executive Director: Jeffrey L. Thorn

Farm Loan Manager: Matt Taylor

Senior Farm Loan Officer: Adam Nichols

Farm Loan Officer:

Lara Shockey

***Program*** Technicians: Shawna Rhodes- Farm ***Programs*** Lisa Delaney- Farm Loans

County Committee: Dean Workman James Workman John Morris Vickey Shamblin Dale Cunningham

Next County Committee Meeting:  December 6

       FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2018 Farm Service Agency County Committee Elections began on Nov. 5, when ballots were mailed to eligible voters. The deadline to return the ballots to local FSA offices is Dec. 3, 2018.

County committee members are an important component of the operations of FSA and provide a link between the ***agricultural*** community and USDA. Farmers and ranchers elected to county committees help deliver FSA ***programs*** at the local level, applying their knowledge and judgment to make decisions on commodity price support ***programs***; conservation ***programs***; incentive indemnity and disaster ***programs*** for some commodities; emergency ***programs*** and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA ***program***. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

Eligible voters in local administrative area 1, LAA2 and LAA4 who do not receive a ballot can obtain one from their local USDA Service Center. Dec. 3, 2018, is the last day for voters to submit ballots in person to local USDA Service Centers. Ballots returned by mail must also be postmarked no later than Dec. 3. Newly elected committee members will take office Jan. 1, 2019.

The candidates in this ***year***’s election are:

Danny Cummings is nominated in LAA 2, Roane County, to serve as a committee member for a 3-***year*** term. Mr. Cummings is a longtime farmer that resides in Gandeeville whos raises market lambs.

Rick Parsons is nominated in LAA 2, Roane County, to serve as a committee member for a 3-***year*** term. Mr. Parsons is a longtime farmer that resides in Gandeeville.

T. Dale Cunningham  is nominated in LAA 4, Calhoun County, to serve as a committee member for a 3-***year*** term. Mrs. Cunningham resides in Big Springs where he has a farm and raises honeybees.

Norma Collinsis nominated in LAA 4, Calhoun County, to serve as a committee member for a 3-***year*** term. Mr. Collins resides in Arnolsdburg where she has been a full time farmer.

More information on county committees, such as the new 2018 fact sheet, can be found on the FSA website at [*www.fsa.usda.gov/elections*](http://www.fsa.usda.gov/elections) or at a local USDA Service Center. Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish ***Program*** (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish ***Program*** (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other ***agricultural*** disaster assistance ***programs***.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster ***Program*** (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2017 to Sept. 30, 2018 must file:

    A notice of loss the earlier of 30 ***calendar*** days of when the loss is apparent or by Dec. 3, 2018     An application for ***payment*** by Dec. 3, 2018

**Load-Date:** December 4, 2018

**End of Document**



[***FEDERAL REGISTER: Agricultural Trade Promotion Program Pages 44178 - 44195 [FR DOC # 2018-18870]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T58-DM41-JDG9-Y010-00000-00&context=1516831)

Impact News Service

August 30, 2018 Thursday

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**Length:** 21096 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Commodity Credit Corporation 7 CFR Part 1489 RIN 0551-AA92 ***Agricultural*** Trade Promotion ***Program*** AGENCY: Foreign ***Agricultural*** Service and Commodity Credit Corporation, USDA. ACTION: Final rule. ----------------------------------------------------------------------- SUMMARY: The Commodity Credit Corporation (CCC) is issuing a new regulation to implement the ***Agricultural*** Trade Promotion ***Program*** (ATP). The ATP provides assistance to U.S ***agricultural*** industries to conduct activities that promote U.S ***agricultural*** commodities in foreign markets for commodities impacted by tariffs, including activities that address existing or potential non-tariff barriers to trade. This rule specifies, among other things, eligibility requirements, activities eligible for reimbursement, contribution requirements, and application procedures for the ATP. This rule also proposes a new information collection for required ***program*** information.

Specific ***program*** requirements will be set forth in future Notices of Funds Availability (NOFAs) announced through the Grants.gov website. DATES: Effective date: August 30, 2018. Comment date: We will consider comments on the Paperwork Reduction Act (PRA) that we receive by: October 29, 2018. ADDRESSES: We invite you to submit comments as required by the PRA for the information collection activities. In your comment, specify RIN 0551-NEW, and include the volume, date, and page number of this issue of the Federal Register. You may submit comments by any of the following methods:  Federal Rulemaking Portal: Go to [*http://www.regulations.gov*](http://www.regulations.gov) Follow the instructions for submitting comments.      Email: [*podadmin@fas.usda.gov*](mailto:podadmin@fas.usda.gov)      Fax: (202) 720-9361.      Mail or Courier Service: Director, ***Program*** Operations Division, OTP/FAS, U.S Department of ***Agriculture***, 1400 Independence Avenue SW, Room 6512, Stop 1020, Washington, DC 20250-1020.

Comments will be available for viewing online at [*http://www.regulations.gov*](http://www.regulations.gov) In addition, comments will be available for public inspection at the above address during business hours from 8 a.m to 5 p.m , Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Curt Alt, Director, ***Program*** Operations Division, by telephone: (202) 720-4327; or by fax: (202) 720-9361; or by email: [*podadmin@fas.usda.gov*](mailto:podadmin@fas.usda.gov)     The U.S Department of ***Agriculture*** (USDA) prohibits discrimination in its ***programs*** on the basis of race, color, national origin, sex, religion, sexual orientation, age, disability, political beliefs and marital or familial status. (Not all prohibited bases apply to all ***programs***.) Persons with disabilities who require alternative means for communication of ***program*** information (braille, large print, audiotape, etc.) should contact the USDA TARGET Center at (202) 720-2600 (Voice and TDD).

SUPPLEMENTARY INFORMATION:

Background

    The nature and severity of financial impacts of recent international trade actions (for example, the imposition of tariffs by other countries on U.S ***agricultural*** products) are disrupting the marketing of U.S ***agricultural*** commodities and are outside of the control of the industries that are being negatively affected. In response to these actions by foreign governments, the Commodity Credit Corporation (CCC) has decided to exercise its authority under Section 5 of the CCC Charter Act, which includes authority for CCC to use its general powers to ``aid in the development of foreign markets for . . . ***agricultural*** commodities . . . .'' [15 U.S.C 714c(f)], to provide assistance to eligible organizations for market promotion activities. ATP funding is intended to ameliorate the negative impacts of recent international trade actions on U.S ***agriculture*** by developing, maintaining, and expanding commercial export markets for U.S ***agricultural*** commodities and products. ATP Participants may receive assistance for either generic or branded promotion activities as well as assistance to conduct activities to address existing or potential non-tariff barriers to trade.     The Foreign ***Agricultural*** Service (FAS) will administer the ATP on behalf of the CCC. Specific ***program*** requirements and details for applying for assistance under the ATP will be set forth in future NOFAs announced through the Grants.gov website.

Eligible Organizations

    The ATP is a cost-share ***program*** that is designed to reimburse nonprofit U.S ***agricultural*** trade organizations, nonprofit state regional trade groups, state agencies, U.S ***agricultural*** cooperatives, and other entities that conduct approved foreign market promotion activities and can demonstrate damages suffered as a result of tariffs imposed on U.S ***agricultural*** products in 2018/2019. When considering eligible nonprofit U.S trade organizations, the CCC gives priority to organizations that have the broadest producer representation and affiliated industry participation of the commodity being promoted. Eligible activities can be generic or branded in nature. In order to be eligible for ATP assistance, U.S for-profit entities shall be limited to those whose size does not exceed 300 percent of the small business size standards established for their particular industry and published at 13 CFR part 121, Small Business Size Regulations. Eligible for- profit entities may participate in an ATP Participant's brand promotion ***program***. Any ATP Participant that operates a brand promotion ***program*** will be required to establish brand ***program*** operational

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procedures. An ATP Participant shall publicize its ATP ***program*** and make participation possible for commercial entities throughout the relevant commodity sector or, in the case of State Regional Trade Groups (SRTGs), throughout the corresponding region.

General Provisions

    The Unified Export Strategy (UES) internet-based system will be used to receive ATP applications and to receive reimbursement requests from ATP Participants. This is the system that the CCC uses for applications to and reimbursement requests under similar CCC ***programs***, including the Market Access ***Program*** (MAP), the Foreign Market Development Cooperator ***Program*** (FMD), the Emerging Markets ***Program*** (EMP), the Technical Assistance for Specialty Crops ***Program*** (TASC), and the Quality Samples ***Program*** (QSP). Any eligible organization that applied for the 2019 MAP and FMD will be able to add application information specific to the ATP to its existing 2019 UES submission. Details about this process will be announced in the ATP NOFAs.     Information required in an applicant's application are detailed in the regulation and include, among other things, a ***program*** justification describing the current market situation and a strategic plan that describes all proposed activities and how they will help accomplish the applicant's objective to increase exports and develop access to new markets. The CCC will, subject to the availability of funds, approve those applications that it considers to present the best opportunity for developing, maintaining, or expanding export markets for U.S ***agricultural*** commodities.     Participants in the ATP will be required to contribute a total amount in goods, services, and/or cash equal to at least 10 percent of the value of resources to be provided by the CCC for all generic promotion activities proposed to be undertaken by the ATP Participant. Branded participants will also be required to contribute in goods, services, and/or cash equal to at least 50 percent of all brand promotion activities they undertake under the ATP.     Lists of expenses eligible and ineligible for reimbursement under the ATP are also included in the regulation. Procedures for requesting reimbursement for eligible expenditures, or, if appropriate, for advances of ***program*** funds, are described in the regulation. Because it is critical that ***program*** funds are managed and accounted for properly, and focused on achieving results, paragraphs regarding financial management, reporting on outcomes that tie assistance directly to increased trade, evaluation, compliance review, and ethical conduct are included. Finally, to ensure that funds provided under the ATP are expended in a cost-effective manner and protected from fraud, provisions regarding contracting and anti-fraud requirements are delineated in the regulation.

Effective Date

    The Administrative Procedure Act (5 U.S.C 553) provides that notice and comment and a 30-day delay in the effective date of the rule are not required when the rule involves specified actions, including matters relating to grants or benefits. This rule establishes procedures and conditions related to the provision of assistance to entities conducting activities that promote U.S ***agricultural*** commodities in foreign markets and thus falls within that exemption. Accordingly, this rule is effective upon publication in the Federal Register. Further, the opportunity for notice and comment provided in this document is limited to the PRA requirements for the information collection activities.

Executive Orders 12866, 13563, 13771 and 13777

    Executive Order 12866, ``Regulatory Planning and Review,'' and Executive Order 13563, ``Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 13777, ``Enforcing the Regulatory Reform Agenda,'' established a federal policy to alleviate unnecessary regulatory burdens on the American people.     The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, ``Regulatory Planning and Review,'' and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The full cost benefit analysis is available on regulations.gov     Executive Order 13771, ``Reducing Regulation and Controlling Regulatory Costs,'' requires that for every new significant or economically significant regulation issued, the new costs must be offset by the elimination of at least two prior regulations. This rule is considered an E.O 13771 regulatory action. The $200 million upfront cost, when annualized over a perpetual time horizon and discounted back to its 2016 equivalent using a 7 percent discount rate, is approximately $11 million.

Cost Benefit Analysis Summary

    The ATP is a ***program*** to help U.S organizations that promote the export of U.S ***agricultural*** commodities adjust to changes in export markets due to recent trade disruptions by providing funding to modify promotional efforts in disrupted markets and to increase promotional efforts in undisrupted markets. Up to $200 million is available for assistance through the ATP.

Regulatory Flexibility Act

    The Regulatory Flexibility Act (5 U.S.C 601-612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121), generally requires an agency to prepare a regulatory flexibility analysis of any rule whenever an agency is required by the Administrative Procedure Act or any other law to publish a proposed rule, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule is not subject to the Regulatory Flexibility Act because the CCC is not required by the Administrative Procedure Act or any other law to publish a proposed rule for this rulemaking.

Environmental Assessment

    The CCC has determined that the ATP does not constitute a major State or Federal action that would significantly affect the human or natural environment. Consistent with the National Environmental Policy Act (NEPA) (42 U.S.C 4321-4347), no environmental assessment or environmental impact statement will be prepared for this regulatory action.

Executive Order 12372

    Executive Order 12372, ``Intergovernmental Review of Federal ***Programs***,'' requires consultation with State and local officials that would be directly affect by proposed Federal financial assistance. The objectives of the Executive Order are to foster an intergovernmental partnership and a strengthened Federalism, by relying on State and local processes for State and local government coordination and review of proposed Federal financial

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assistance and direct Federal development. For reasons specified in the final rule related notice to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), the ***programs*** and activities within this rule are excluded from the scope of Executive Order 12372.

Executive Order 12988

    This rule has been reviewed under Executive Order 12988, ``Civil Justice Reform.'' This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The rule will not have retroactive effect. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR part 11 and this part must be exhausted.

Executive Order 13132

    This rule has been reviewed under Executive Order 13132, ``Federalism.'' The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government, except as required by law. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

Executive Order 13175

    This rule has been reviewed for compliance with Executive Order 13175, ``Consultation and Coordination with Indian Tribal Governments.'' Executive Order 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments, proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal government and Indian tribes.     FAS has assessed the impact of this rule on Indian tribes and determined that this rule does not, to the knowledge of FAS, have tribal implications that required tribal consultation under Executive Order 13175. If a tribe requests consultation, FAS will work with USDA Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions, and modifications identified herein are not expressly mandated by Congress.

The Unfunded Mandates Reform Act of 1995

    Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 ***year*** for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local, and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Small Business Regulatory Enforcement Fairness Act (SBREFA)

    This rule is not a major rule under SBREFA. SBREFA normally requires that an agency delay the effective date of a major rule for 60 days from the date of publication to allow for Congressional review.

Federal Assistance ***Programs***

    The title and number of the Federal Domestic Assistance ***Program*** found in the Catalog of Federal Domestic Assistance to which this rule applies is TBD--***Agricultural*** Trade Promotion ***Program*** and number.

Paperwork Reduction Act

    In accordance with the Paperwork Reduction Act of 1995 (PRA), the following new information collection request that supports ATP was submitted to OMB for emergency approval. OMB approved the 6-month emergency information collection. Since the information collection activities will continue for more than the approved 6 months, in addition, through this rule, the CCC is requesting comments from interested individuals and organizations on the information collection activities related to the ATP as described in this rule. Following the 60-day public comment period for this rule, the information collection request will be submitted to OMB for the 3-***year*** approval to ensure adequate time for the information collection for the duration of the ATP.     Title: ***Agricultural*** Trade Promotion ***Program***.     OMB Control Number: 0551-New.     Type of Request: New Collection.     Abstract: This information collection is required to support the regulation in 7 CFR part 1489 for the ATP. The primary objective of the ATP is to encourage and aid in the creation, maintenance, and expansion of commercial export markets for U.S ***agricultural*** products through cost-share assistance to eligible organizations. The ***program*** is a cooperative effort between the CCC and the eligible organizations. Currently, FAS anticipates that about 70 organizations will participate directly in the ***program*** with activities in more than 100 countries.     Prior to initiating ***program*** activities, each ATP Participant must submit a detailed application to FAS which includes an assessment of overseas market potential; market or country strategies, constraints, goals, and benchmarks; proposed market promotion activities; estimated budgets; and a methodology to track ***program*** results (including performance measurement). Each Participant is also responsible for submitting: (1) Reimbursement claims for approved costs incurred in carrying out approved activities, (2) an end-of-***year*** contribution report, (3) travel reports, and (4) progress reports/evaluation studies. Participants must maintain records on all information submitted to FAS. The information collected is used by FAS to manage, plan, evaluate, and account for Government resources. The reports and records are required to ensure the proper and judicious use of public funds. For the following estimated total annual burden on respondents, the formula used to calculate the total burden hour is the estimated average time per response multiplied by the estimated total annual responses.     Estimate of Burden: Public reporting burden for this collection of information is estimated to average 15 hours per response.     Respondents: Nonprofit ***agricultural*** trade organizations, state regional trade groups, ***agricultural*** cooperatives, state agencies, and commercial entities.     Estimated Number of Respondents: 70.     Estimated Number of Responses per Respondent: 60.     Estimated Total Annual Burden on Respondents: 63,000 hours.     FAS is requesting comments on all aspects of this information collection to help us to:     (1) Evaluate whether the collection of information is necessary for the proper performance of the functions of the FAS, including whether the information will have practical utility;

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    (2) Evaluate the accuracy of the FAS's estimate of burden including the validity of the methodology and assumptions used;     (3) Enhance the quality, utility and clarity of the information to be collected;     (4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.     All comments received, including names and addresses when provided, will be a matter of public record. Comments will be summarized and included in the submission for Office of Management and Budget approval.

List of Subjects in 7 CFR Part 1489

***Agricultural*** commodities, Exports.

    Accordingly, the CCC amends title 7 of the Code of Federal Regulations by adding part 1489 to read as follows:

PART 1489--***AGRICULTURAL*** TRADE PROMOTION ***PROGRAM***

Sec. 1489.10 General purpose and scope. 1489.11 Definitions. 1489.12 Participation eligibility. 1489.13 Application process. 1489.14 Application review and formation of agreements. 1489.15 Operational procedures for brand ***programs***. 1489.16 Contribution rules. 1489.17 Reimbursement rules. 1489.18 Reimbursement procedures. 1489.19 Advances. 1489.20 Financial management. 1489.21 Reports. 1489.22 Evaluation. 1489.23 Compliance reviews and notices. 1489.24 Failure to make required contribution. 1489.25 Submissions. 1489.26 Disclosure of ***program*** information. 1489.27 Ethical conduct. 1489.28 Contracting procedures. 1489.29 Property standards. 1489.30 Anti-fraud requirements. 1489.31 ***Program*** income. 1489.32 Amendment. 1489.33 Noncompliance with an agreement. 1489.34 Suspension, termination, and closeout of agreements. 1489.35 Paperwork reduction requirements.

    Authority: Section 5(f) of the CCC Charter Act, 15 U.S.C 714c(f).

Sec.  1489.10  General purpose and scope.

    (a) This part sets forth the general terms, conditions, and policies governing the Commodity Credit Corporation's (CCC) operation of the ***Agricultural*** Trade Promotion ***Program*** (ATP). This ***program*** will provide assistance to eligible organizations to conduct market promotion activities, including activities to address existing or potential non-tariff barriers to trade, that promote U.S ***agricultural*** commodities in foreign markets. Specific ***program*** requirements will be set forth in future Notices of Funds Availability announced through the Grants.gov website.     (b)(1) In addition to the provisions of this subpart, other regulations of general application issued by the U. S. Department of ***Agriculture*** (USDA), including the regulations set forth in Chapter XXX of this title, ``Office of the Chief Financial Officer, Department of ***Agriculture***,'' may apply to the ATP and ATP participants, to the extent that these regulations of general application do not directly conflict with the provisions of this subpart. These include, but are not limited to:     (i) 7 CFR part 1, subpart A--Official Records.     (ii) 7 CFR part 3--Debt Management.     (iii) 7 CFR part 15, subpart A--Nondiscrimination.     (iv) 2 CFR part 417--Government-wide Debarment and Suspension (Non- procurement).     (v) 2 CFR part 418--New Restrictions on Lobbying.     (vi) 2 CFR part 421--Requirements for Drug-Free Workplace (Financial Assistance).     (vii) 48 CFR part 31--Contract Cost Principles and Procedures of the Federal Acquisition Regulations.     (2) In addition, relevant provisions of the CCC Charter Act (15 U.S.C 714 et seq.) and any other statutory provisions that are generally applicable to the CCC are also applicable to the ATP and the regulations set forth in this part.     (3) ATP Participants must also comply with Title VI of the Civil Rights Act of 1964 and related civil rights regulations and policies.     (4) Other laws and regulations that apply to the ATP and ATP Participants include, but are not limited to:     (i) 2 CFR part 25--Universal Identifier and Central Contractor Registration.     (ii) 2 CFR part 170--Reporting Subaward and Executive Compensation Information.     (iii) 2 CFR part 175--Award Term for Trafficking in Persons.     (iv) 2 CFR part 180--OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).     (v) 2 CFR part 200--Office of Management and Budget Guidance, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.     (vi) 2 CFR part 400--Department of ***Agriculture***, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.     (vii) 37 CFR part 401.1--Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements.     (viii) Executive Order 13224, as amended, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism.     (c) Under the ATP, the CCC may provide multi-***year*** grant assistance to eligible U.S entities to conduct certain marketing and promotion activities, including activities to address existing or potential non- tariff trade barriers, aimed at developing, maintaining, or expanding commercial export markets for U.S ***agricultural*** commodities. ATP Participants may receive assistance for either generic or brand promotion activities. While activities generally take place overseas, reimbursable activities may also take place in the United States. The CCC expects all activities that occur in the United States for which ATP reimbursement is sought to develop, maintain, or expand the commercial export market for the relevant U.S ***agricultural*** commodity in accordance with the ATP Participant's approved ATP ***program***. When considering eligible nonprofit U.S trade organizations, the CCC gives priority to organizations that have the broadest producer representation and affiliated industry participation of the commodity being promoted.     (d) The ATP generally operates on a reimbursement basis.     (e) The CCC's policy is to ensure that benefits generated by ATP agreements are broadly available throughout the relevant ***agricultural*** sector and that no single entity gains an undue advantage. The CCC also endeavors to enter into ATP agreements covering a broad array of ***agricultural*** commodity sectors. The ATP is administered by personnel of the Foreign ***Agricultural*** Service (FAS) acting on behalf of the CCC.

Sec.  1489.11   Definitions.

    For purposes of this subpart the following definitions apply:     Activity means a specific foreign market development effort undertaken by an ATP Participant.     Administrative expenses or costs means expenses or costs of administering, directing, and controlling an organization that is an ATP Participant. Generally, this would include expenses or costs such as those related to:     (1) Maintaining a physical office (including, but not limited to, rent,

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office equipment, office supplies, office d[eacute]cor, office furniture, computer hardware and software, maintenance, extermination, parking, business cards);     (2) Personnel (including, but not limited to, salaries, benefits, payroll taxes, individual insurance, training);     (3) Communications (including, but not limited to, phone expenses, internet, mobile phones, personal digital assistants, email, mobile email devices, postage, courier services, television, radio, walkie talkies);     (4) Management of an organization or unit of an organization (including, but not limited to, planning, supervision, supervisory travel, teambuilding, recruiting, hiring);     (5) Utilities (including, but not limited to, sewer, water, energy);     (6) Professional services (including, but not limited to, accounting expenses, financial services, investigatory services).     Approval letter means a document by which the CCC informs an applicant that its ATP application has been approved for funding. This letter may also approve specific activities and contain terms and conditions in addition to the ***program*** agreement. This letter requires a countersignature by the ATP Participant before it becomes effective.     ATP means the ***Agricultural*** Trade Promotion ***Program***.     ATP Notice means ***Agricultural*** Trade Promotion ***Program*** notices are documents that CCC issues for informational purposes. These ATP notices are made available electronically at [*www.fas.usda.gov/****programs****/****agricultural****-trade-promotion-****program****-atp*](http://www.fas.usda.gov/programs/agricultural-trade-promotion-program-atp). These notices have no legal effect. They are intended to alert ATP Participants of various aspects of CCC's current administration of the ATP ***program***. For example, CCC issues ATP notices to alert ATP Participants of procedures for requesting advances, applicable Federal pay scale rates, lists of economic and trade sanctions against certain foreign countries, reporting formats and computer codes to use with the UES.     ATP Participant or Participant means an entity that has entered into an ATP ***program*** agreement with the CCC.     Attach[eacute]/Counselor means the FAS employee representing USDA interests in the foreign country in which promotional activities are conducted.     Brand participant means a U.S for-profit entity or a U.S ***agricultural*** cooperative that owns the brand(s) of the U.S ***agricultural*** commodity to be promoted or has the exclusive rights to use such brand(s) and that is participating in the ATP brand promotion ***program*** of an ATP Participant. This definition does not include any U.S ***agricultural*** cooperatives that are ATP Participants that apply for ATP funds to implement their own brand ***programs***.     Brand promotion means an activity that involves the exclusive or predominant use of a single U.S company name, or the logo or brand name of a single U.S company, or the brand of a U.S ***agricultural*** cooperative, or any activity undertaken by a brand participant in the brand ***program***.     CCC means the Commodity Credit Corporation, including any agency or official of the United States delegated the responsibility to act on behalf of the CCC.     Contribution means an expenditure made by an ATP Participant, the U.S industry, or State agency in support of an approved activity. This includes expenditures to be made by entities in the ATP Participant's industry in support of the entities' related promotion activities in the markets covered by the ATP Participant's agreement.     Credit memo means a commercial document, also known as a credit memorandum, issued by the ATP Participant to a commercial entity that owes the ATP Participant a certain sum. A credit memo is used when the ATP Participant owes the commercial entity a sum less than the amount the entity owes the Participant. The credit memo reflects an offset of the amount the ATP Participant owes the entity against the amount the entity owes to the ATP Participant.     Demonstration projects means activities involving the erection or construction of a structure or facility or the installation of equipment.     Expenditure means either ***payment*** via the ***transfer*** of funds or offset reflected in a credit memo in lieu of a ***transfer*** of funds.     FAS means Foreign ***Agricultural*** Service, USDA.     FAS website means a website maintained by FAS providing information on ATP. It is currently accessible at   [*www.fas.usda.gov/****programs****/****agricultural****-trade-promotion-****program****-atp*](http://www.fas.usda.gov/programs/agricultural-trade-promotion-program-atp).     Foreign third party means a foreign entity that an ATP Participant works with to promote the export of a U.S ***agricultural*** commodity under the ATP ***program***.     Generic promotion means an activity that is not a brand promotion but, rather, promotes a U.S ***agricultural*** commodity generally. A generic promotion activity may include the promotion of a foreign brand (i.e , a brand owned primarily by foreign interests and being used to market a commodity or product in a foreign market), if the foreign brand uses the promoted U.S ***agricultural*** commodity from multiple U.S suppliers. A generic promotion activity may also involve the use of specific U.S company names, logos or brand names. However, in that case, the ATP Participant must ensure that all U.S companies seeking to promote such U.S ***agricultural*** commodity in the market have an equal opportunity to participate in the activity and that at least two U.S companies participate. In addition, an activity that promotes separate items from multiple U.S companies will be considered a generic promotion only if the promotion of the separate items maintains a unified theme (i.e , a dominant idea or motif) and style and is subordinate to the promotion of the generic theme.     Market means the country or countries targeted by an activity.     Notification means a document from the ATP Participant by which the ATP Participant proposes to CCC changes to the activities and/or funding levels in an approved ATP ***program*** agreement and/or approval letter.     Product samples means a representative part of a larger whole promoted commodity or group of promoted commodities. Product samples include all forms of a promoted commodity (e.g , fresh or processed), independent of the ultimate utilization of the sample. Product samples must be used in support of international marketing activities including, but not limited to, displays, food process testing, cooking demonstrations, or trade and consumer tastings.     ***Program*** agreement means a document entered into between CCC and an ATP Participant setting forth the terms and conditions of approved activities under ATP, including any subsequent amendments to such agreement.     ***Program*** period means a 12-month period during which an ATP Participant can undertake activities consistent with this subpart and its ***program*** agreement and approval letter with CCC. ***Program*** periods will begin on January 1 and end on December 31 of the same ***year***, or begin on July 1 and end on June 30 of the subsequent ***year***.     Promoted commodity means a U.S ***agricultural*** commodity the sale of which is the intended result of a promotional activity.     Sales and trade relations expenditures (STRE) means expenditures made on breakfast, lunch, dinner, receptions, and refreshments at approved activities; miscellaneous

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courtesies such as checkroom fees, taxi fares and tips for approved activities; and decorations for a special promotional occasion that is part of an approved activity.     Sales team means a group of individuals engaged in an approved activity intended to result in specific sales.     Small-sized entity means a U.S for-profit entity that meets the small business size standards published at 13 CFR part 121, Small Business Size Regulations.     SRTG means State Regional Trade Group. An SRTG is a nonprofit association of state-funded ***agricultural*** promotion agencies.     Temporary contractor means a contractor, typically a consultant or other highly paid professional that is hired on a short term basis to assist in the performance of an activity.     Trade team means a group of individuals engaged in an approved activity intended to promote the interests of an entire ***agricultural*** sector rather than to result in specific sales by any of its members.     UES website means a website maintained by FAS through which applicants may apply online to ATP and any other USDA market development ***program***. The website is currently accessible to persons with e-authentication certification at [*https://apps.fas.usda.gov/ues/webapp/*](https://apps.fas.usda.gov/ues/webapp/).     Unified Export Strategy (UES) means a standardized online internet application developed by USDA and available for use by entities to apply to any USDA market development ***program***, including the ATP.     U.S ***agricultural*** commodity means any ***agricultural*** commodity, including any food, feed, fiber, forestry product, livestock, or insect of U.S origin or fish harvested from a U.S aquaculture farm or harvested by a vessel as defined in Title 46 of the United States Code, in waters that are not waters (including the territorial sea) of a foreign country, and any product thereof, excluding tobacco. An ***agricultural*** commodity shall be considered to be U.S origin if it is comprised of at least 50 percent by weight, exclusive of added water, of ***agricultural*** commodities grown or raised in the United States.     USDA means the United States Department of ***Agriculture***.     U.S for-profit entity means a firm, association, or other entity organized or incorporated, located and doing business for profit in the United States, and engaged in the export or sale of a U.S ***agricultural*** commodity.

Sec.  1489.12   Participation eligibility.

    To participate in the ATP as an ATP Participant, an entity shall be:     (a) A nonprofit U.S ***agricultural*** trade organization;     (b) A nonprofit SRTG;     (c) A U.S ***agricultural*** cooperative; or     (d) A State agency.

Sec.  1489.13   Application process.

    (a) General application requirements. CCC will periodically issue a Notice of Funds Availability through the Grants.gov website that it is accepting applications for participation in the ATP. Applications shall be submitted in accordance with the terms and requirements specified in the Notice and in these regulations. Applicants are encouraged to submit a UES through the UES internet website, but are not required to do so. Applicants may apply to conduct a generic promotion ***program*** and/ or a brand promotion ***program*** that provides ATP funds to brand participants for branded promotion, as well as to conduct other market promotion activities including activities to address existing or potential non-tariff trade barriers. An applicant that is a U.S ***agricultural*** cooperative may also apply for funds to conduct its own brand promotion ***program***.     (1) Applicant and ***program*** information. All applications shall contain:     (i) The name, address, and internet location of the home page of the applicant organization;     (ii) The name of the applicant's Chief Executive Officer;     (iii) The name, telephone number, fax number, and email address of the applicant's primary contact person;     (iv) The name(s) of the person(s) responsible for managing the proposed ***program***;     (v) A description of the applicant organization, including the type of organization of the applicant (e.g , nonprofit SRTG), its mission, and the statutory authorities by which it is constituted and under which it operates, if applicable;     (vi) Tax exempt identification number of the applicant, if applicable;     (vii) Beginning and ending dates for proposed ***program*** period (mm/ dd/yy-mm/dd/yy);     (viii) Dollar amount of CCC resources requested for generic activities;     (ix) Dollar amount of CCC resources requested for brand activities;     (x) Dollar amount of CCC resources requested for other market promotion activities, including activities to address existing or potential non-tariff trade barriers;     (xi) Total dollar amount of CCC resources requested;     (xii) Percentage of CCC resources requested for general administrative expenses;     (xiii) A Dun and Bradstreet DUNS number for the applicant;     (xiv) A description of the applicant organization's membership and membership criteria;     (xv) A list of organizations affiliated with the applicant, including parent organizations, subsidiaries, and partnerships;     (xvi) A description of the applicant's management and administrative capability;     (xvii) A description of the applicant's prior export promotion experience;     (xviii) Value, in U.S dollars, of proposed contributions from the applicant or the applicant's proposed contribution stated as a percentage of the total dollar amount of CCC resources requested; and     (xix) Value, in U.S dollars, of proposed contributions from other sources.     (2) ***Program*** justification. All applications shall contain:     (i) A description of the promoted U.S ***agricultural*** commodity(s), its harmonized tariff classification, the applicable commodity aggregate code (available from the UES website) and the percentage of U.S origin content by weight, exclusive of added water;     (ii) A description of the anticipated supply and demand situation for the promoted U.S ***agricultural*** commodity(s) as well as a demonstration of loss suffered as a result of imposed tariffs (reduced sales, lost revenue, and decreased market share, etc.);     (iii) The volume and value of exports of the promoted U.S ***agricultural*** commodity(s) to the targeted markets for the most recent 3-***year*** period;     (iv) If the proposal is for 2 or more ***years***, an explanation why the proposal should be funded on a multi-***year*** basis; and     (v) A certification and, if requested by CCC, a written explanation supporting the certification that any funds received will supplement, but not supplant, any private or third-party funds or other contributions to ***program*** activities. An explanation, if one is requested, shall indicate why the applicant is unlikely to carry out the activities without Federal financial assistance. In determining whether Federal funds would supplement or supplant private or third- party funds or contributions, CCC will consider the applicant's prior overall marketing budget in CCC market development ***programs*** from ***year***- to-***year***, variations in promotional

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strategies within a country, and new markets.     (3) Proposed ***program***'s strategic plan. (i) All applications shall include a strategic plan that contains:     (A) A description of overall long term strategic goals to be advanced by the proposed activities for the ensuing 3-5 ***years***;     (B) An explanation of the organization's strategic planning process and identification of priority target markets, including a summary of proposed budgets by country and commodity aggregate code;     (C) A description of the world market situation for the exported U.S ***agricultural*** commodity(s);     (D) A description of competition from other exporters;     (E) An evaluation plan describing the applicant's goals and the applicant's plans for monitoring and evaluating performance towards achieving these goals. This evaluation plan should set forth specific goals and benchmarks set at regular intervals to be used to identify results against identified constraints and opportunities and to measure progress made in the target market. Evaluation of a proposed ATP ***program***'s effectiveness will depend on a clear statement by the applicant of goals, method of achievement, and expected results of ***programming*** at regular intervals. The overall goal of the ATP and of individual Participants' ***programming*** is to restore or increase sales that would not have occurred in the absence of ATP funding. An ATP Participant may modify and resubmit this plan for re-approval at any time during the ***program*** period.     (F) For each target country, five ***years*** or as many ***years*** as are available of:     (1) Historical U.S export data;     (2) U.S market share; and     (3) CCC market development ***program*** funds received by the applicant;     (G) For each target country, three ***years*** of projected U.S export data and U.S market share;     (H) Country strategy, including market constraint(s) impeding U.S exports (e.g , trade barriers) or opportunities present and the strategy proposed to overcome constraints or take advantage of the opportunities, previous activities in the country, and the projected impact of the proposed ***program*** on U.S exports;     (I) A description of any demonstration projects, if applicable;     (J) Data summarizing the applicant's historical and projected exports, market share, and CCC market development ***program*** budgets of the promoted U.S ***agricultural*** commodity(s);     (K) A written presentation of all proposed activities including:     (1) A short description of the relevant market constraint or opportunity;     (2) A budget for each proposed activity, identifying the source of funds.     (ii) Applications for brand promotion assistance shall also include in their strategic plans:     (A) A description of how the brand promotion ***program*** will be publicized to U.S industry; and     (B) The criteria that will be used to allocate funds to U.S for- profit entities and U.S ***agricultural*** cooperatives.     (b) Requests for addition evaluation information. CCC may request any additional information that it deems necessary to evaluate an application, including, but not limited to, performance measurement information.     (c) Special rules governing demonstration projects funded with CCC resources. CCC will consider proposals for demonstration projects, provided:     (1) No more than one such demonstration project per constraint is undertaken within a market;     (2) The constraint to be addressed in the target market is a lack of technical knowledge or expertise;     (3) The demonstration project is a practical and cost effective method of overcoming the constraint; and     (4) A third-party must participate in such project through a written agreement with the ATP Participant.     (d) Universal Identifier and Central Contractor Registration (CCR). In accordance with 2 CFR part 25, each entity that applies to the ATP ***program*** and does not qualify for an exemption under 2 CFR 25.110 must:     (1) Be registered in the CCR prior to submitting an application or plan;     (2) Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or plan under consideration by CCC; and     (3) Provide its DUNS number in each application or plan it submits to CCC.     (e) Reporting Subaward and Executive Compensation Information. In accordance with 2 CFR part 170, each entity that applies to the ATP ***program*** and does not qualify for an exception under 2 CFR 170.110(b) must ensure it has the necessary processes and systems in place to comply with the applicable reporting requirements of 2 CFR part 170 should it receive ATP funding.

Sec.  1489.14   Application review and formation of agreements.

    (a) General. CCC will, subject to the availability of funds, approve those applications that it considers to present the best opportunity for developing, maintaining, or expanding export markets for U.S ***agricultural*** commodities. The selection process, by its nature, involves the exercise of judgment. CCC's choice of Participants and proposed promotion projects requires that it consider and weigh a number of factors, some of which cannot be mathematically measured-- e.g , market opportunity, market strategy, and management capability. CCC may require that an applicant participate in the ATP through another ATP Participant.     (b) Application review criteria. In assessing the likelihood of success of the applications it receives and deciding which it will approve, CCC will follow results-oriented management principles and consider the following criteria:     (1) The effectiveness of ***program*** management;     (2) Soundness of accounting procedures;     (3) The nature of the applicant organization. With respect to nonprofit U.S trade organizations, preference will be given to those organizations with the broadest base of producer representation of and affiliated industry participation for the commodity being promoted;     (4) Prior export promotion experience;     (5) Appropriateness of staffing;     (6) Adequacy of the applicant's strategic plan in the following categories:     (i) Description of target market conditions;     (ii) Description of and plan for addressing market constraints and opportunities;     (iii) Breadth of industry participation in strategic planning process;     (iv) Strategic prioritization identified in proposed plan;     (v) Export volume and value and market share goals in each target country;     (vi) Description of evaluation plan and suitability of the plan for performance measurement; and     (vii) Past CCC market development ***program*** results and/or evaluations, including ***program*** success stories.     (c) Allocation factors. CCC determines which applications to approve and develops preliminary recommended funding levels for each approved application based on the following factors, in addition to those in paragraph (b) of this section. CCC determines final funding levels after allocating available funds to approved applications on the basis of criteria that will be fully described in each ***program*** period's ATP Notice of Funds Availability announcement:     (1) Size of the budget request in relation to projected value of exports;

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    (2) Where applicable, size of the budget request in relation to actual value of exports in prior ***years***;     (3) Where applicable, Participant's past projections of exports compared with actual exports;     (4) Level of contributions by the applicant and by all other sources to meet minimum cost share requirements;     (5) Market share goals in target country(ies);     (6) The percentage by weight, exclusive of added water, of U.S ***agricultural*** commodities contained in the promoted products;     (7) The degree of value-added processing in the United States;     (8) Proposed ATP-funded general administrative and overhead costs compared to proposed ATP-funded direct promotional costs; and     (d) Approval decision--(1) Approval criteria and factors. CCC will approve those applications that it determines best satisfy the criteria and factors specified in paragraphs (b) and (c) of this section.     (2) Notification of decision. CCC will notify each applicant in writing of the final disposition of its application.     (e) Formation of agreements. CCC will send a ***program*** agreement (or amendment to an existing ***program*** agreement), an approval letter, and a signature card to each approved applicant. The ***program*** agreement or amendment and the approval letter will outline which activities and budgets are approved and will specify any special terms and conditions applicable to an ATP Participant's ***program***, including any requirements with respect to contributions and ***program*** evaluations. An applicant that decides to accept the terms and conditions contained in the ***program*** agreement or amendment and the approval letter must so indicate by having its Chief Executive Officer (CEO) or designee sign the ***program*** agreement or amendment and the approval letter and submit these to CCC. Final agreement shall occur when the ***program*** agreement or amendment and the approval letter are signed by both parties.     (f) Signature cards. The ATP Participant shall designate at least two individuals in its organization to sign ***program*** agreements and amendments, approval letters, reimbursement claims, and advance requests. The ATP Participant shall submit the signature card signed by those designated individuals and by the ATP Participant's CEO to CCC. The Participant shall immediately notify CCC of any changes in signatories and shall submit a revised signature card accordingly.     (g) UES ID and passwords. CCC will provide each ATP Participant with IDs and passwords for the UES website, as necessary. ATP Participants shall protect these IDs and passwords in accordance with USDA's information technology policies that CCC will provide to ATP Participants. ATP Participants shall immediately notify CCC whenever a person who possesses the ID and password information no longer needs such information or a person who is not authorized gains such information.     (h) Annual certifications. An ATP Participant through which U.S for-profit entities are participating in the ATP ***program*** shall obtain annual certifications from all such entities that certify their size or their status as U.S ***agricultural*** cooperatives, as defined in these regulations. The Participant shall retain these certifications in accordance with the recordkeeping requirements of this part.     (i) Changes to activities and funding--(1) Adding a new activity. (i) An ATP Participant may not conduct a new activity without first obtaining an approved activity budget for such change. To request approval of such activity budget, the ATP Participant shall submit a notification to CCC.     (ii) A notification for a new activity shall provide an activity justification and identify any related adjustments to the approved strategic plan, including changes in market, constraint, or opportunity that the activity proposes to address. The notification shall contain the activity description, the proposed budget, and a justification of ***transfer*** of funds.     (iii) After receipt of the notification, CCC will inform the ATP Participant via the UES website whether the requested budget is approved.     (2) Modifying existing activities and their funding levels. (i) An ATP Participant desiring to increase the funding level for existing, approved activities addressing a single constraint or opportunity by more than $25,000 or 25 percent of the approved funding level, whichever is greater, must first submit a notification explaining the adjustment to CCC before making such change.     (ii) An ATP Participant may make significant adjustments below that threshold to the funding levels for existing, approved activities without prior notification to CCC, only if it submits a notification explaining the adjustments to CCC no later than 30 days after the change. Minor adjustments to existing, approved activities and/or funding levels do not require notification.     (iii) Notifications shall describe the activity, changes to the activity, the existing funding level, the proposed funding level, and a justification for ***transfer*** of funds, if applicable.

Sec.  1489.15   Operational procedures for brand ***programs***.

    (a) Where CCC approves an application by an ATP Participant to run a brand promotion ***program*** that will include brand participants, the ATP Participant shall establish brand ***program*** operational procedures. The ATP Participant shall submit to CCC for approval its proposed brand ***program*** operational procedures. CCC will notify all ATP Participants in writing in each Participant's approval letter and through the FAS website as to applicable submission dates for and dates for approvals of brand ***program*** operation procedures. Such procedures shall include, at a minimum, a brand ***program*** application, application procedures, application review criteria, brand participant eligibility requirements, a participation agreement, reimbursement requirements, compliance requirements, reporting and recordkeeping requirements, employment practices, financial management requirements, contracting procedures, and evaluation requirements. The ATP Participant must submit to CCC for approval any proposed changes to already approved brand ***program*** operational procedures before implementing such proposed changes.     (b) The ATP Participant shall not enter into any participation agreements with brand participants nor shall it implement any ATP brand activities unless and until CCC has communicated in writing its approval of the proposed operational procedures to the ATP Participant.     (c) Participation agreements between ATP Participants and brand participants: Where CCC approves an ATP Participant's application to run a brand promotion ***program*** that will include brand participants, the ATP Participant shall enter into participation agreements with brand participants. Brand participants' size may not exceed 300 percent of the applicable small business size standard. These agreements must:     (1) Specify a time period for such brand promotion and require that all brand promotion expenditures be made within the ATP Participant's approved ***program*** period;     (2) Make no allowance for extension or renewal;     (3) Limit reimbursable expenditures to those made in countries and for

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activities approved in the brand participant's activity plan;     (4) Specify the percentage of promotion expenditures that will be reimbursed, reimbursement procedures, and documentation requirements;     (5) Include a written certification by the brand participant that it either owns the brand of the product it will promote or has exclusive rights to promote the brand in each of the countries in which promotion activities will occur;     (6) Require that all product labels, promotional material, and advertising will identify the origin of the U.S ***agricultural*** commodity as ``American'', ``Product of the United States of America'', ``Product of the U.S '', ``Product of the U.S.A '', ``Product of America'', ``Grown in the United States of America'', ``Grown in the U.S '', ``Grown in the U.S.A '', ``Grown in America'', ``Made in the United States of America,'' ``Made in the U.S '', ``Made in the U.S.A '', ``Made in America'', or product of, grown in or made in any state or territory of the United States of America spelled out in its entirety, or other U.S regional designation if approved in advance by the CCC; that such origin identification will be conspicuously displayed in a manner easily observed as identifying the origin of the product; and that such origin identification will conform, to the extent possible, to the U.S standard of \1/6\ inch (.42 centimeters) in height based on the lower case letter ``o''. The use of the above terms as a descriptor or in the name of the product (e.g , Cincinnati style chili, Gina's American Pizza) does not satisfy the product origin requirement. Phrases ``product of'', ``grown in'' or ``made in'' are encouraged, but not required. An ATP Participant may request an exemption from this requirement on a case-by-case basis. All such requests shall be in writing and include justification satisfactory to the CCC that this labeling requirement would hinder an ATP Participant's promotional efforts. CCC will determine, on a case by case basis, whether sufficient justification exists to grant an exemption from the labeling requirement. In addition, the CCC may temporarily waive this requirement where the CCC has determined that such labeling will likely harm sales rather than help them. Such determinations will be announced to ATP Participants via an ATP notice issued on the FAS website;     (7) Include a written certification by the brand participant that identifies its size on the date of its application for branded ***program*** funding or that it is a U.S ***agricultural*** cooperative;     (8) Require that the brand participant submit to the ATP Participant a statement certifying that any Federal funds received will supplement, but not supplant, any private or third party funds or other contributions to ***program*** activities; and     (9) Require the brand participant to maintain all original records and documents relating to ***program*** activities for three ***calendar*** ***years*** following the end of the applicable ***program*** period and make such records and documents available upon request to authorized officials of the U.S Government.

Sec.  1489.16   Contribution rules.

    (a) In ATP generic promotion ***programs***, an ATP Participant shall contribute a total amount in goods, services, and/or cash equal to at least 10 percent of the value of resources to be provided by the CCC for all generic promotion activities proposed to be undertaken by the ATP Participant.     (b) In ATP brand promotion ***programs***, an ATP Participant conducting its own brand promotion that is a U.S ***agricultural*** cooperative or a small-sized brand participant shall contribute at least 50 percent of the total eligible expenditures made on each approved brand promotion.     (c) An ATP Participant must use its own funds and may not use ATP ***program*** funds to pay any administrative costs of the ATP Participant's U.S office(s), including legal fees, except as set forth in this subpart. Where the ATP Participant uses its own funds to pay for administrative costs, such costs may be counted in calculating the amount of contributions the ATP Participant contributes to ATP generic or brand promotion ***programs***.     (d) Eligible contributions:     (1) In calculating the amount of contributions that it will make, and the contributions that the U.S industry (including expenditures to be made by entities in the applicant's industry or ***agricultural*** sector in support of the entities' related promotion activities in the markets covered by the applicant's application) or State agency will make, the ATP applicant may include the costs listed under paragraph (d)(2) of this section if:     (i) Expenditures are necessary and reasonable for accomplishment of an approved activity,     (ii) Expenditures are not included as contributions for any other Federal award;     (iii) Expenditures are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a ***program*** specifically provides that Federal funds made available for such ***program*** can be applied to matching or cost sharing requirements of other Federal ***programs***.     (2) Subject to paragraph (d)(1) of this section, as well as applicable cost principles (e.g , 2 CFR part 200) to the extent these principles do not directly conflict with the provisions of this subpart, eligible contributions are:     (i) Cash;     (ii) Compensation paid to personnel;     (iii) The cost of acquiring materials, supplies or services;     (iv) The cost of office space;     (v) A reasonable and justifiable proportion of general administrative costs and overhead;     (vi) ***Payments*** for indemnity and fidelity bond expenses;     (vii) The cost of business cards that target a foreign audience;     (viii) The cost of subscriptions that are of a technical, economic, or marketing nature and that are relevant to the approved activities of the ATP Participant;     (ix) The cost of activities conducted overseas;     (x) Credit card fees;     (xi) The cost of any independent evaluation or audit that is not required by the CCC to ensure compliance with ***program*** agreement or regulatory requirements;     (xii) The cost of giveaways, awards, prizes and gifts;     (xiii) The cost of product samples;     (xiv) Fees for participating in U.S government sponsored or endorsed export promotion activities;     (xv) The cost of air and local travel in the United States;     (xvi) STRE and the cost associated with trade shows, seminars, and entertainment conducted in the United States where the STRE and costs associated with trade shows, seminars, and entertainment have a programmatic purpose and are authorized in the ***program*** agreement and/or the approval letter or authorized by prior written approval of the CCC;     (xvii) Other administrative expenses (e.g , supervisory travel from the U.S to an overseas office); and     (xviii) The cost of any activity expressly listed as reimbursable in this subpart.     (3) The following are not eligible contributions:     (i) Any portion of salary or compensation of an individual who is the target of an approved promotional activity;     (ii) Any expenditure, including that portion of salary and time spent, related to promoting membership in the Participant organization (sometimes referred to in the industry as ``backsell'');

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    (iii) Any land costs other than allowable costs for office space;     (iv) The cost of refreshments and related equipment provided to office staff;     (v) The cost of insuring articles owned by private individuals;     (vi) The cost of any arrangement that has the effect of reducing the selling price of a U.S ***agricultural*** commodity;     (vii) The cost of product development, product modifications, or product research, except as described in Sec.  1489.17(c)(22);     (viii) Slotting fees or similar sales expenditures;     (ix) Membership fees in clubs and social organizations; and     (x) Any expenditure for an activity prior to the CCC's approval of that activity.     (4) The CCC shall determine, at the CCC's discretion, whether any cost not expressly listed in this section may be included by the ATP Participant as an eligible contribution.

Sec.  1489.17  Reimbursement rules.

    (a) An ATP Participant may seek reimbursement for an eligible expenditure if:     (1) The expenditure was necessary and reasonable for accomplishment of an approved activity; and     (2) The Participant has not been and will not be reimbursed for such expenditure by any other source.     (b) Subject to paragraphs (a) and (d) of this section, as well as applicable cost principles (e.g , 2 CFR part 200) to the extent these principles do not directly conflict with the provisions of this subpart, for either brand or generic promotion activities, the CCC will reimburse, in whole or in part, the cost of:     (1) Production and placement of advertising, in print, electronic media, billboards, or posters, which may include advertising the availability of price discounts, except that advertising associated with a coupon or price discount for the ATP-promoted product is not reimbursable. If advertising is related to both coupons or price discounts for products other than the ATP Participant's promoted products as well as for ATP-promoted products, expenditures for such advertising will not be reimbursed in whole or in part (e.g , expenditures may not be prorated and submitted for reimbursement). Electronic media includes, but is not limited to, radio, television, electronic mail, internet, telephone, text messaging, and podcasting;     (2) Production and distribution of banners, recipe cards, table tents, shelf talkers, and other similar point of sale materials;     (3) Direct mail advertising;     (4) In-store and food service promotions, product demonstrations to the trade and to consumers, and distribution of product samples (but not the purchase of the product samples, except as authorized in paragraph (c)(9) of this section).     (5) Temporary displays and rental of space for temporary displays;     (6) Expenditures, other than travel expenditures, associated with seminars and educational training, whether conducted in the United States or outside the United States;     (7) Subject to paragraph (b)(18) of this section, expenditures, other than travel expenditures, associated with retail, trade and consumer exhibits and shows, whether held outside or inside the United States, including participation fees, booth construction, transportation of related materials, rental of space and equipment, and duplication of related printed materials. However, with regard to non- travel expenditures associated with retail, trade and consumer exhibits and shows held inside the United States, such expenditures are reimbursable only if the exhibit or show is: A food or ***agricultural*** show with no less than 30 percent of exhibitors selling food or ***agricultural*** products; and an international show that targets buyers, distributors and the like from more than one foreign country and no less than 15 percent of its visitors are from countries other than the host country. CCC will compile a list of approved retail, trade and consumer exhibits and shows held inside the United States for which ATP reimbursement is available and such list will be announced to ATP Participants via an ATP notice issued on FAS' website;     (8) Subject to paragraph (b)(18) of this section, international travel expenditures, not to exceed the full fare economy rate, including any fees for modifying the originally purchased airline ticket, per diem, passports, visas and inoculations, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200, for no more than two representatives of a single brand participant (or ATP Participant directly running its own brand ***program***) to exhibit their company's (or cooperative's) products at a retail, trade, or consumer exhibit or show held outside the United States. Representatives may include employees and board members of private companies, employees or members of cooperatives, or any broker, consultant, or marketing representative contracted by the company or cooperative to represent the company or cooperative in sales transactions. All travel should follow a direct or usually traveled route;     (9) Subscriptions that are of a technical, economic, or marketing nature and that are relevant to the approved activities of the ATP Participant;     (10) Demonstrators, interpreters, translators, receptionists, and similar temporary workers who help with the implementation of individual promotional activities, such as trade shows, in-store promotions, food service promotions, and trade seminars;     (11) Giveaways, awards, prizes, gifts and other similar promotional materials, subject to such reimbursement limitation as CCC may determine and announce in writing to ATP Participants via an ATP notice issued on FAS' website. Reimbursement is available only when:     (i) The items are described in detail with a per unit cost in an approved strategic plan; and     (ii) Distribution of the promotional item is not contingent upon the consumer, or other target audience, purchasing a good or service to receive the promotional item;     (12) The design and production of packaging, labeling or origin identification, to be used during the ***program*** period in which the expenditure is made, if such packaging, labeling or origin identification is necessary to meet the importing requirements of a foreign country;     (13) The design, production, and distribution of coupons for products other than the ATP Participant's promoted products. If such activities include both coupons or price discounts for products other than the ATP Participant's promoted products as well as for ATP- promoted products, expenditures for such activities will not be reimbursed in whole or in part (e.g , expenditures may not be prorated and submitted for reimbursement);     (14) An audit of an ATP Participant as required by 2 CFR part 200, subpart F, if the ATP is the ATP Participant's largest source of Federal funding;     (15) The translation of written materials as necessary to carry out approved activities;     (16) Expenditures associated with developing, updating, and servicing websites on the internet that clearly target a foreign audience;     (17) International travel expenditures, not to exceed the full fare economy rate, including any fees for modifying the originally purchased airline ticket, per diem, passports, visas and inoculations, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200,

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incurred for a foreign trade mission conducted outside the United States that is an activity under an approved branded ***program*** and that has met the following conditions:     (i) Trade mission travel for company (or cooperative) representatives was identified as a separate approved activity in the ATP Participant's UES;     (ii) The trade mission included representatives, as defined in paragraph (b)(8) of this section, from a minimum of five different companies (or cooperatives), and no more than two representatives from each participating company (or cooperative);     (iii) The appropriate FAS overseas office supported the trade mission by dedicating meaningful funding or other resources (such as facilities or staff time) to the activity; and     (iv) The ATP Participant with the approved brand ***program*** produced an itinerary or agenda for the trade mission that demonstrated that company (or cooperative) representatives would be engaged for a minimum of 6 hours per day (except for the first and last days of the mission) in trade mission activities that include, at a minimum, each of the following:     (A) A product showcase where the FAS overseas office approved an invitation list of qualified buyers;     (B) Pre-arranged one-on-one business meetings; and     (C) Evaluation and feedback sessions with FAS staff and trade mission sponsors.     (v) Reimbursement is conditional on the ATP Participant having notified in writing the Attach[eacute]/Counselor in the destination country in advance of the travel. All travel should follow a direct or usually traveled route;     (18) Where USDA has sponsored or endorsed a U.S pavilion at a retail, trade and consumer exhibit or show, whether held outside or inside the United States, ATP funds may be used to reimburse the travel and/or non-travel expenditures of only those ATP Participants located within the U.S pavilion. Such expenditures must also adhere to the standard terms and conditions of the U.S pavilion organizer. All travel should follow a direct or usually traveled route. Upon written request, the CCC may temporarily waive this subsection, on a case by case basis, where:     (i) The trade show is segregated into product pavilions; or     (ii) A company's distributor or importer is located outside the U.S pavilion. Such waiver will be provided to the ATP Participant in writing; and     (19) Contracts with U.S -based organizations when the only contracted service such organizations provide to an ATP Participant is carrying out a specific market promotion activity in the United States directed to a foreign audience (e.g , a trade mission of foreign buyers coming to the United States to visit U.S exporters). Such contracts may be reimbursable as a direct promotional expense. If a U.S -based organization provides administrative services to the ATP Participant's domestic home office during a ***program*** period, any direct promotional services such organization provides to the Participant, whether for the Participant's domestic or overseas offices, during the same ***program*** period are not reimbursable.     (c) Subject to paragraphs (a) and (d) of this section as well as applicable cost principles (e.g , 2 CFR part 200), but for generic promotion activities only, the CCC will also reimburse, in whole or in part, the cost of:     (1) Temporary contractor fees for contractors stationed overseas, except the CCC will not reimburse any portion of any such fee that exceeds the daily gross salary of a GS-15, Step 10 for U.S Government employees in effect on the date the fee is earned, unless a bidding process reveals that such a contractor is not available at or below that salary rate;     (2) Subject to paragraph (b)(18) of this section, international travel expenditures, not to exceed the full fare economy rate, including any fees for modifying the originally purchased airline ticket, per diem, passports, visas and inoculations, for activities held outside the United States or in the United States, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200, except that if the activity is participation in a retail, trade, or consumer exhibit or show held inside the United States, international travel expenditures are covered only if the exhibit or show is: A food or ***agricultural*** show with no less than 30 percent of exhibitors selling food or ***agricultural*** products; and an international show that targets buyers, distributors and the like from more than one foreign country and no less than 15 percent of its visitors are from countries other than the United States. The CCC will compile a list of approved retail, trade and consumer exhibits and shows held inside the United States for which ATP reimbursement is available and such list will be announced to ATP Participants via an ATP notice issued on FAS' website.     (i) The CCC generally will not reimburse any portion of air travel, including any fees for modifying the originally purchased ticket, in excess of the full fare economy rate or when the ATP Participant fails to notify the Attach[eacute]/Counselor in the destination country in advance of the travel, unless the CCC determines it was impractical to provide such notice. If a traveler flies in business class or a different premium class, the basis for reimbursement will be the full fare economy class rate for the same flight and the ATP Participant shall provide documentation establishing such full fare economy class rate to support its reimbursement claim. If economy class is not offered for the same flight or if the traveler flies on a charter flight, the basis for reimbursement will be the average of the full fare economy class rate for flights offered by three different airlines between the same points on the same date and the ATP Participant shall provide documentation establishing such average of the full fare economy class rates to support its reimbursement claim.     (ii) In limited circumstances, the ATP Participant may be reimbursed for air travel up to the business class rate (i.e , a premium class rate other than the first class rate) upon prior written approval by the CCC. Such circumstances are:     (A) Regularly scheduled flights between origin and destination points do not offer economy class (or equivalent) airfare and the ATP Participant receives written documentation from its travel agent to that effect at the time the tickets are purchased;     (B) Business class air travel is necessary to accommodate an eligible traveler's disability. Such disability must be substantiated in writing by a physician; and     (C) If an eligible traveler is an employee, contractor, or member of an ATP participant organization, and the eligible traveler's origin and/or destination are outside of the continental United States and the scheduled flight time, beginning with the scheduled departure time, ending with the scheduled arrival time, and including stopovers and changes of planes, exceeds 14 hours. In such case, per diem and other allowable expenses will also be reimbursable for the day of arrival. However, no expenses will be reimbursable for a rest period or for any non-work days (e.g , weekends, holidays, personal leave, etc.) immediately following the date of arrival.     (D) If an eligible traveler is the target of a market development activity (e.g , a foreign buyer, foreign importer, member of the foreign media) the ATP Participant may be reimbursed for air travel up to the business class rate when the eligible traveler's origin and/or

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destination are outside of the continental United States and the scheduled flight time, beginning with the scheduled departure time, ending with the scheduled arrival time, and including stopovers and changes of planes, exceeds five hours. In such case, per diem and other allowable expenses will also be reimbursable for the day of arrival. However, no expenses will be reimbursable for a rest period or for any non-work days (e.g , weekends, holidays, personal leave, etc.) immediately following the date of arrival.     (iii) Alternatively, in lieu of reimbursing up to the business class rate in such circumstances noted in paragraphs (c)(2)(ii)(C) and (d) of this section, the CCC will reimburse economy class airfare plus per diem and other allowable travel expenses related to a rest period of up to 24 hours, either en route or upon arrival at the destination. For a trip with multiple destinations, each origin/destination combination will be considered separately when applying the 14-hour rule for eligibility of reimbursement of business class travel or rest period expenses.     (iv) A stopover for purposes of this paragraph (c)(2) is the time a traveler spends at an airport, other than the originating or destination airport, which is a normally scheduled part of a flight. A change of planes is the time a traveler spends at an airport, other than the originating or destination airport, to disembark from one flight and embark on another.     (v) All travel under this paragraph (c)(2) should follow a direct or usually traveled route. Under no circumstances should a traveler select flights in a manner that extends the scheduled flight time to beyond 14 hours in part to secure eligibility for reimbursement of business class travel. An eligible traveler that is the target of a market development activity is only eligible for a rest period when that traveler flies in economy class and meets the 14-hour test;     (3) Automobile mileage at the local U.S Embassy rate or rental cars while in travel status;     (4) Other allowable expenditures while in travel status as authorized by the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200;     (5) Accident liability insurance premiums for facilities used jointly with third-party participants for ATP activities or for ATP- funded travel of third-party participants;     (6) Market research, including research to determine the types of products that are desired in a market;     (7) Legal fees incurred in resolving trade issues with foreign countries;     (8) The sample purchase price, and the cost of transporting samples domestically in the United States to the port of export and then to the first foreign port or first point of entry, for samples of U.S ***agricultural*** commodities used to provide on-site technical assistance to the trade necessary to facilitate successful use of the relevant U.S ***agricultural*** commodity by importers. The target of such activity must be the trade, and not consumers, but any product resulting from the technical training can be used to determine consumer preferences;     (9) STRE incurred outside of the United States and STRE incurred within the United States in conjunction with an approved activity where the STRE has a programmatic purpose and are authorized with prior written approval from the CCC. ATP Participants are required to use the appropriate American Embassy representational funding guidelines for breakfasts, lunches, dinners and receptions incurred outside of the United States as the basis for their calculating eligible expenses. ATP Participants may exceed Embassy guidelines by 25 percent without prior approval. ATP Participants may only exceed 125 percent of Embassy guidelines when they have received written authorization from the FAS ***Agricultural*** Counselor at the Embassy. The amount of unauthorized STRE expenses that exceed 125 percent of the guidelines will not be reimbursed. ATP Participants must pay the difference between the total cost of STRE events and the appropriate amount as determined by the guidelines and these regulations. For STRE incurred in the United States, the ATP Participant should provide, in its request for approval, the basis for determining its proposed expenses;     (10) U.S office(s) administrative support expenses, incurred specifically to administer the ATP, for the National Association of State Departments of ***Agriculture***, the SRTGs, and the Intertribal ***Agriculture*** Council. The level of such funding will be established in the approval letter.     (11) U.S office(s) administrative support expenses, incurred specifically to administer the ATP, for any ATP Participants not identified in this paragraph (c)(11), will be considered, except for ***agricultural*** cooperatives. Reimbursement for such expenses shall not exceed six percent of the ATP Participant's total ATP budget. The level of such funding will be established in the approval letter.     (13) Non-travel expenditures associated with conducting international staff conferences held either in or outside the United States;     (14) Subject to paragraph (b)(18) of this section, domestic travel expenditures, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200, for international retail, trade and consumer exhibits and shows conducted in the United States upon prior written approval by CCC. Domestic travel expenses to such a show or exhibit are covered only if the exhibit or show is: A food or ***agricultural*** show with no less than 30 percent of exhibitors selling food or ***agricultural*** products; and an international show that targets buyers, distributors and the like from more than one foreign country and no less than 15 percent of its visitors are from countries other than the host country. CCC will compile a list of approved retail, trade and consumer exhibits and shows held inside the United States for which ATP reimbursement is available and such list will be announced to ATP Participants via an ATP notice issued on FAS' website;     (15) Domestic travel expenditures, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200, for seminars and educational training conducted in the United States;     (16) Domestic travel expenditures, as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200, for up to two individuals, whether home office ATP Participant employees, ATP Participant board members, or state department of ***agriculture*** employees paid by the ATP Participant, or a combination thereof, when such individuals accompany foreign trade missions or technical teams while traveling in the United States where the following conditions are met:     (i) Such trade missions or technical team visits are identified in the ATP Participant's UES;     (ii) Such trade missions or technical team visits have been approved by CCC; and     (iii) The ATP-sponsored travelers submit a follow-up trip report to CCC that includes the following:     (A) Purpose for the individuals' participation;     (B) Any pre-arranged business meetings;     (C) Itinerary and/or agenda for the trip; and

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    (D) Feedback from sponsors and trade mission/technical team members on the success of the trip.     (17) Approved demonstration projects;     (18) Expenditures related to copyright, trademark, or patent registration, including attorney fees;     (19) Rental or lease expenditures for storage space for ***program***- related materials;     (20) Business cards that target a foreign audience;     (21)(i) Expenditures associated with developing, updating, and servicing websites on the internet that:     (A) Contain a message related to exporting or international trade;     (B) Include a discernible ``link'' to the FAS website or an FAS overseas office website; and     (C) Have been specifically approved by the appropriate FAS division. Expenditures related to websites or portions of websites that are accessible only to an organization's members are not reimbursable.     (ii) Reimbursement claims for websites that include ``members only'' sections must be prorated to exclude the costs associated with those areas subject to restricted access; and     (22) Expenditures not otherwise prohibited from reimbursement that are associated with activities held in the United States or abroad designed to improve market access by specifically addressing temporary, permanent, or impending non-tariff barriers to trade that prohibit or threaten U.S exports of ***agricultural*** commodities. Examples of such expenditures include, but are not limited to: Initial pre-clearance ***programs***, educational training, policy advocacy, public relations efforts, foreign country audits of U.S facilities, export protocol and work plan support, seminars and workshops, study tours, field surveys, development of pest lists, pest and disease research, database development, and reasonable logistical and administrative support.     (d) CCC will not reimburse any cost of:     (1) Forward ***year*** financial obligations, such as severance pay, attributable to employment of foreign nationals;     (2) Expenses, fines, settlements, or judgments relating to legal suits, challenges or disputes, except as otherwise allowed in 2 CFR part 200 and these regulations;     (3) The design and production of packaging, labeling or origin identification, except as specifically allowed in this subpart;     (4) Product development, product modification or product research, except as specified in paragraph (c)(22) of this section;     (5) Product samples to be distributed to consumers;     (6) Slotting fees or similar sales expenditures;     (7) The purchase of, construction of, or lease of space for permanent, non-mobile displays, i.e , displays that are constructed to remain permanently in the same location beyond one ***program*** period. However, the CCC may, at its discretion, reimburse the construction or purchase of permanent displays on a case-by-case basis, if the Participant sought and received prior written approval from the CCC of such construction or purchase;     (8) Rental, lease or purchase of warehouse space, except for storage space for ***program***-related material;     (9) Coupon redemption or price discounts of the ATP promoted commodity;     (10) Refundable deposits or advances;     (11) Giveaways, awards, prizes, gifts and other similar promotional materials in excess of the limitation that the CCC will determine. Such determination will be announced in writing via an ATP notice issued on FAS' website;     (12) Alcoholic beverages that are not an integral part of an approved promotional activity;     (13) The purchase, lease (except for use in authorized travel status) or repair of motor vehicles;     (14) Travel of applicants for employment interviews;     (15) Unused non-refundable airline tickets or associated penalty fees, except where travel was restricted by U.S Government action or advisory;     (16) Independent evaluations or audits, including evaluations or audits of the activities of a subcontractor, if the CCC determines that such a review is needed in order to confirm past or to ensure future ***program*** agreement or regulatory compliance;     (17) Any arrangement that has the effect of reducing the selling price of a U.S ***agricultural*** commodity;     (18) Goods, services and salaries of personnel provided by U.S industry or foreign third party;     (19) Membership fees in clubs and social organizations;     (20) Indemnity and fidelity bonds, except as otherwise allowed in 2 CFR part 200;     (21) Fees for participating in U.S Government sponsored activities, other than trade fairs and exhibits;     (22) Business cards that target a U.S domestic audience;     (23) Seasonal greeting cards;     (24) Office parking fees;     (25) Subscriptions to publications that are not of a technical, economic, or marketing nature or that are not relevant to the approved activities of the ATP Participant;     (26) U.S office(s) administrative expenses, including communication costs, except as noted in paragraphs (c)(11) and (12) of this section and except that usage costs for communications devices incurred while on reimbursable international or domestic travel for approved ATP brand or generic promotion activities are reimbursable as eligible travel expenditures as allowed under the U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200;     (27) Any expenditure on an activity that includes any derogatory reference or comparison to other U.S ***agricultural*** commodities;     (28) ***Payment*** of U.S and foreign employees' or contractors' share of personal taxes;     (29) Any expenditure made for an activity prior to the CCC's approval of that activity;     (30) Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening; and     (31) Expenditures associated with an ATP Participant's creation or review of their fraud prevention ***program***, contracting procedures, or brand ***program*** operational procedures.     (e) For a brand promotion activity, the CCC will reimburse no more than 50 percent of the total eligible expenditures made on that activity by a brand participant.     (f) The CCC will reimburse for expenditures made after the conclusion of an ATP Participant's ***program*** period provided:     (1) The activity was approved by the CCC prior to the end of the ***program*** period;     (2) The activity was completed within 30 ***calendar*** days following the end of the ***program*** period; and     (3) All expenditures were made for the activity within 6 months following the end of the ***program*** period.     (g) An ATP Participant shall not use ATP funds for any activity or any expenses incurred by the ATP Participant prior to the date of the ***program*** agreement or after the date the ***program*** agreement is suspended or terminated, except as otherwise permitted by the CCC.     (h) Except as otherwise provided in this subpart, ATP-funded travel shall conform to U.S Federal Travel Regulations (41 CFR parts 301 through 304) and 2 CFR part 200 and ATP-

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funded air travel shall conform to the requirements of the Fly America Act (49 U.S.C 40118). For international travel, the ATP Participant shall notify the Attach[eacute]/Counselor in the destination countries in writing in advance of any proposed travel.     (i) The CCC may determine, at the CCC's discretion, whether any cost not expressly listed in this section will be reimbursed.

Sec.  1489.18   Reimbursement procedures.

    (a) Participants are required to use the CCC's UES system to request reimbursement for eligible ATP expenses. Claims for reimbursement shall contain the following information:     (1) Activity type--brand or generic;     (2) Activity number;     (3) Commodity aggregate code;     (4) Country code;     (5) Cost category;     (6) Amount to be reimbursed;     (7) If applicable, any reduction in the amount of reimbursement claimed to offset CCC demand for refund of amounts previously reimbursed and reference to the relevant compliance report or written notice; and     (8) If applicable, any amount previously claimed that has not been reimbursed.     (b) All claims for reimbursement shall be submitted by the ATP Participant's U.S office to the CCC.     (c) CCC will not reimburse a claim for less than $10,000, except that the CCC will reimburse a final claim for an ATP Participant's ***program*** period for a lesser amount.     (d) The CCC will not reimburse claims submitted later than 6 months after the end of an ATP Participant's ***program*** period.     (e) If the CCC overpays a reimbursement claim, the ATP Participant shall repay the CCC within 30 days of such overpayment the amount of the overpayment either by submitting a check payable to the CCC or by offsetting its next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC.     (f) If an ATP Participant receives a reimbursement or offsets an advanced ***payment*** which is later disallowed, the ATP Participant shall repay the CCC within 30 days of such disallowance the amount disallowed either by submitting a check payable to the CCC or by offsetting its next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC.     (g) ATP funds may be expended by ATP Participants only on legitimate, approved activities as set forth in the ***program*** agreement and approval letter. If an ATP Participant discovers that ATP funds have not been properly spent, it shall notify the CCC and shall within 30 days of its discovery repay the CCC the amount owed either by submitting a check payable to the CCC or by offsetting its next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC.     (h) The ATP Participant shall report any actions that may have a bearing on the propriety of any claims for reimbursement in writing to CCC.

Sec.  1489.19  Advances.

    (a) Policy. In general, the CCC operates the ATP on a reimbursable basis.     (b) Exception. An ATP Participant for generic promotion activities may request an advance of ATP funds from the CCC, provided the ATP Participant meets the criteria for advance ***payments*** in 2 CFR part 200. The CCC will not approve any request for an advance submitted later than 3 months after the end of an ATP Participant's ***program*** period. At any given time, total ***payments*** advanced shall not exceed 40 percent of an ATP Participant's approved generic activity budget for the ***program*** period. The CCC will not advance funds to an ATP Participant for brand promotion activities. When approving a request for an advance, the CCC may require the ATP Participant to carry adequate fidelity bond coverage when the absence of such coverage is considered to create an unacceptable risk to the interests of the ATP. Whether an ``unacceptable risk'' exists in a particular situation will depend on a number of factors, such as, for example, the Participant's history of performance in ATP; the Participant's perceived financial stability and resources; and any other factors presented in the particular situation that may reflect on the Participant's responsibility or the riskiness of its activities.     (c) Interest. An ATP Participant shall deposit and maintain in an insured bank account in the United States all funds advanced by the CCC. The account shall be interest-bearing, unless the exceptions in 2 CFR part 200 apply. Interest earned by the ATP Participant on funds advanced by the CCC is not ***program*** income. The ATP Participant shall remit any interest earned on the advanced funds to the appropriate entity as set forth in the applicable parts of this title.     (d) Refunds due the CCC. An ATP Participant shall fully expend all advances on approved generic promotion activities within 90 ***calendar*** days after the date of disbursement by the CCC. By the end of the 90 ***calendar*** days, the ATP Participant must submit reimbursement claims to offset the advance and submit a check made payable to CCC for any unexpended balance. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC.

Sec.  1489.20   Financial management.

    (a) An ATP Participant shall implement and maintain a financial management system that conforms to generally accepted accounting principles. An ATP Participant's financial management system shall comply with the standards in 2 CFR part 200.     (b) An ATP Participant shall institute internal controls and provide written guidance to commercial entities participating in its activities to ensure their compliance with these regulations.     (c) An ATP Participant shall retain all records concerning an ATP ***program*** transaction for a period of three ***years*** after completion of the ***program*** transaction and permit the CCC to have full and complete access, for such three ***year*** period, to such records. These records shall include all records pertaining to contractors.     (d) An ATP Participant shall maintain its records of expenditures and contributions in a manner that allows it to provide information by activity plan, country, activity number, and cost category. Such records shall include:     (1) Receipts for all STRE (actual vendor invoices or restaurant checks, rather than credit card receipts);     (2) Original receipts for any other ***program***-related expenditure in excess of a set amount CCC will determine and announce in writing to all ATP Participants via an ATP notice issued on the FAS website. The CCC may, from time to time, set a different minimum amount. In that case, the CCC will announce the new amount in writing to all ATP Participants via an ATP notice issued on the FAS website;     (3) The exchange rate used to calculate the dollar equivalent of expenditures made in a foreign currency and the basis for such calculation;     (4) Copies of reimbursement claims;     (5) An itemized list of claims charged to each of the ATP Participant's CCC resources accounts;     (6) Documentation with accompanying English translation supporting each reimbursement claim, including original evidence to support the financial transactions such as

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canceled checks, receipted paid bills, contracts or purchase orders, per diem calculations, travel vouchers, and credit memos; and     (7) Documentation supporting contributions. These must include the dates, purpose, and location of the activity for which the cash or in- kind items were claimed as a contribution; who conducted the activity; the participating groups or individuals; and, the method of computing the claimed contributions. ATP Participants must retain and make available for compliance review documentation related to claimed contributions.     (e) Upon request, an ATP Participant shall provide to the CCC originals of documents supporting reimbursement claims.

Sec.  1489.21  Reports.

    (a) End-of-***Year*** Contribution Report. Not later than 6 months after the end of its ***program*** period, an ATP Participant shall submit two copies of a report that identifies, by cost category and in U.S dollar equivalent, contributions made by the Participant, the U.S industry, and the States during that ***program*** period. A suggested format of a contribution report is available from FAS. Foreign third party contributions are not included in the end-of-***year*** contribution report.     (b) Trip reports. Not later than 45 days after completion of travel (other than local travel), an ATP Participant shall electronically submit a trip report. The report must include the name(s) of the traveler(s), purpose of travel, itinerary, names and affiliations of contacts, and a brief summary of findings, conclusions, recommendations, and specific accomplishments.     (c) Research reports. Not later than 6 months after the end of its ***program*** period, an ATP Participant shall submit a report on any research conducted pursuant to the approved ATP ***program***.     (d) Evaluation reports. Not later than 6 months after the end of its ***program*** period, an ATP Participant shall submit a report on any evaluations conducted in accordance with the approved ATP ***program***, including the outcome of action taken with ATP funding and the increased market access or exports that can be directly attributed to the ATP ***program***.     (e) Annual audits. Where the CCC is designated the cognizant agency for audit, the CCC may require the ATP Participant to submit to the CCC an annual audit in accordance with 2 CFR part 200. If the CCC requires an additional audit with respect to a particular agreement, the ATP Participant shall arrange for such audit and shall submit to the CCC, in the manner to be specified by the CCC, such audit of the agreement.     (f) Additional reports. The CCC may require the submission of additional reports.     (g) Approved letters. An ATP Participant's ***program*** agreement and/or approval letter shall specify to whom the Participant shall submit the reports required in this section.     (h) ***Program*** reviews. FAS through its authorized representatives, may review project accomplishments, management control systems, and administration of funding provided through the ***program*** to ensure adherence to requirements. During such reviews, FAS will review recipients' files related to the grant-funded ***program*** and technical assistance may be required.

Sec.  1489.22  Evaluation.

    (a)(1) The Government Performance and Results Act (GPRA) of 1993 (5 U.S.C 306; 31 U.S.C 1105, 1115-1119, 3515, 9703-9704) requires performance measurement of Federal ***programs***, including the ATP. Evaluation of the ATP's effectiveness will depend on a clear statement by Participants of goals to be met within a specified time, schedule of measurable milestones for gauging success, plan for achievement, and assessment of results of activities at regular intervals. The overall goal of the ATP and of individual Participants' ***programming*** is to increase sales that would not have occurred in the absence of ATP funding. An ATP Participant that can demonstrate such sales, taking into account extenuating factors beyond the Participant's control, will have met the overall objective of the GPRA and the need for evaluation.     (2) Evaluation is an integral element of ***program*** planning and implementation, providing the basis for the strategic plan. The evaluation results guide the development and scope of an ATP Participant's ***program***, contributing to ***program*** accountability, and providing evidence of ***program*** effectiveness that directly ties ***program*** funds to increased sales.     (b) All ATP Participants must report annual results against their target market and/or regional constraint/opportunity performance measures. These are outcome results usually based on multiple activities and should demonstrate progress made in the market. This report shall be completed and submitted to the CCC no later than 6 months following the end of the Participant's ***program*** period.     (c) ATP Participants conducting a branded ***program*** must also complete a brand promotion evaluation. A brand promotion evaluation is a review of the U.S and foreign commercial entities' export sales to determine whether the activity achieved the goals specified in the approved ATP ***program***. This evaluation shall be completed and submitted to CCC no later than 6 months following the end of the Participant's ***program*** period.     (d) When appropriate or required by the CCC, an ATP Participant shall complete a ***program*** evaluation. A ***program*** evaluation is a review of the ATP Participant's entire ***program***, or an appropriate portion of the ***program*** as agreed to by the ATP Participant and CCC, to determine the effectiveness of the ATP Participant's strategy in meeting specified goals. Actual scope and timing of the ***program*** evaluation shall be determined by the ATP Participant and CCC and specified in the approval letter. An ATP Participant shall submit, via a cover letter to CCC, an executive summary that assesses the ***program*** evaluation's findings and recommendations and proposed changes in ***program*** strategy or design as a result of the evaluation. In addition to the requirements set forth in the applicable parts of this title (for example, 2 CFR part 200), a ***program*** evaluation shall contain:     (1) The name of the party conducting the evaluation;     (2) The scope of the evaluation;     (3) A concise statement of the market constraint(s)/ opportunity(ies) and the goals specified in the approved strategic plan;     (4) A description of the evaluation methodology;     (5) A description of export sales achieved;     (6) A summary of the findings, including an analysis of the strengths and weaknesses of the ***program***(s); and     (7) Recommendations for future ***programs***.     (e) On an annual basis, or more often when appropriate or required by the CCC, an ATP Participant shall complete and submit ***program*** success stories. The CCC will announce to all ATP Participants in writing via an ATP notice issued on the FAS website the detailed requirements for completing and submitting ***program*** success stories.

Sec.  1489.23   Compliance reviews and notices.

    (a) USDA staff may conduct compliance reviews of ATP Participants' activities under the ATP ***program***. ATP Participants shall cooperate fully with relevant USDA staff conducting compliance reviews and shall comply with all requests from

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USDA staff to facilitate the conduct of such reviews.     (b) Upon conclusion of the compliance review, USDA staff will provide either a written compliance report or a letter to the ATP Participant. USDA staff will issue a compliance report if it appears that CCC may be entitled to recover funds from that Participant and/or it appears that the Participant is not complying with any of the terms or conditions of the ***program*** agreement, approval letter, or the applicable laws and regulations. The compliance report will explain the basis for any recovery of funds from the Participant. Within 30 days of the date of the compliance report, the ATP Participant shall repay the CCC the amount owed either by submitting a check payable to the CCC or by offsetting its next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC. If, however, an ATP Participant notifies the CCC within 30 days of the date of the compliance report that the Participant intends to file an appeal pursuant to paragraph (e) of this section, the amount owed to the CCC by the ATP Participant is not due until the appeal procedures are concluded and the CCC has made a final determination as to the amount owed. In the absence of any finding of funds due to the CCC or other non-compliance, the CCC will issue a letter to the ATP Participant. If, as a result of a compliance review, the CCC determines that further review is needed in order to ensure compliance with the requirements of ATP, the CCC may require the Participant to contract for an independent audit.     (c) In addition, the CCC may notify an ATP Participant in writing at any time if CCC determines that CCC may be entitled to recover funds from the Participant. The CCC will explain the basis for any recovery of funds from the Participant in the written notice. The ATP Participant shall, within 30 days of the date of the notice, repay the CCC the amount owed either by submitting a check payable to the CCC or by offsetting its next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC. If, however, an ATP Participant notifies the CCC within 30 days of the date of the written notice that the Participant intends to file an appeal pursuant to paragraph (e) of this section, the amount owed to the CCC by the ATP Participant is not due until the appeal procedures are concluded and the CCC has made a final determination as to the amount owed.     (d) The fact that a compliance review has been conducted by USDA staff does not signify that an ATP Participant is in compliance with its ***program*** agreement, approval letter and/or applicable laws and regulations.     (e) Appeals:     (1) An ATP Participant may, within 60 days of the date of the compliance report or written notice from the CCC, submit a written response to the CCC appealing the report or notice. CCC, at its discretion, may extend the period for response.     (2) After review of the Participant's response, the CCC shall determine whether the Participant owes any funds to the CCC and will inform the Participant in writing of the basis for the determination. The CCC will initiate action to collect such amount by providing the Participant a written demand for ***payment*** of the debt pursuant to Debt Settlement Policies and Procedures, 7 CFR part 1403.     (3) Within 30 days of the date of the determination, the Participant may request in writing that the CCC reconsider the determination and shall submit in writing the basis for such reconsideration. The Participant may also request a hearing.     (4) If the Participant requests a hearing, the CCC will set a date and time for the hearing. The hearing will be an informal proceeding. A transcript will not ordinarily be prepared unless the Participant bears the cost of a transcript; however, the CCC may in its discretion have a transcript prepared at the CCC's expense.     (5) The CCC will base its final determination upon information contained in the administrative record. The Participant must exhaust all administrative remedies contained in this section before pursuing judicial review of a determination by the CCC.

Sec.  1489.24   Failure to make required contribution.

    An ATP Participant's required contribution will be specified in the approval letter. If the ATP Participant's required contribution is specified as a dollar amount and the ATP Participant does not make the required contribution, the ATP Participant shall pay to the CCC in dollars the difference between the amount actually contributed and the amount specified in the approval letter. If the ATP Participant's required contribution is specified as a percentage of the total amount reimbursed by the CCC, the ATP Participant may either return to the CCC the amount of funds reimbursed by the CCC to increase its actual contribution percentage to the required level or pay to the CCC in dollars the difference between the amount actually contributed and the amount of funds necessary to increase its actual contribution percentage to the required level. An ATP Participant shall remit such ***payment*** within six months after the end of its ***program*** period. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by the CCC.

Sec.  1489.25   Submissions.

    For all permissible methods of delivery, submissions required by this subpart shall be deemed submitted as of the date received by the CCC.

Sec.  1489.26   Disclosure of ***program*** information.

    (a) Documents submitted to CCC by ATP Participants are subject to the provisions of the Freedom of Information Act (FOIA), 5 U.S.C 552, 7 CFR part 1, subpart A--Official Records, and specifically 7 CFR 1.12, Handling Information from a Private Business.     (b) Any research conducted by an ATP Participant pursuant to an ATP ***program*** agreement and/or approval letter shall be subject to the provisions relating to intangible property in 2 CFR part 200.

Sec.  1489.27  Ethical conduct.

    (a) An ATP Participant shall conduct its business in accordance with the laws and regulations of the country in which an activity is carried out and in accordance with applicable U.S Federal, State and local laws, and regulations. An ATP Participant shall conduct its business in the United States in accordance with applicable Federal, State and local laws and regulations. All ATP Participants must comply with the regulations in 2 CFR part 200 and this part.     (b) Except for a U.S ***agricultural*** cooperative or a U.S for-profit entity, neither an ATP Participant nor its affiliates shall make export sales of U.S ***agricultural*** commodities and products covered under the terms of the applicable ATP agreement. Nor shall such entities charge a fee for facilitating an export sale. An ATP Participant may, however, collect check-off funds and membership fees that are required for membership in the ATP Participant. For the purposes of this paragraph, ``affiliate'' means any partnership, association, company, corporation, trust, or any other such party in which the Participant has an investment other than in a mutual fund.     (c) An ATP Participant shall not limit participation in its ATP activities to members of its organization.

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Participants shall ensure that their ATP-funded ***programs*** and activities are open to all otherwise qualified individuals and entities on an equal basis and without regard to any non-merit factors. The ATP Participant shall publicize its ***program*** and make participation possible for commercial entities throughout the relevant commodity sector or, in the case of SRTGs, throughout the corresponding region. This includes providing to such commercial entities, upon request, a copy of any document in its possession or control containing market information developed and produced under the terms of its ATP agreement. The Participant may charge a fee not to exceed the costs for assembling, duplicating and distributing the materials. This paragraph does not apply to any U.S ***agricultural*** cooperative when implementing its own brand ***program***.     (d) An ATP Participant shall select U.S ***agricultural*** industry representatives to participate in generic ATP activities such as trade teams, sales teams, and trade fairs based on criteria that ensure participation on an equitable basis by a broad cross section of the U.S industry. If requested by the CCC, an ATP Participant shall submit such selection criteria to the CCC for approval.     (e) All ATP Participants should endeavor to ensure fair and accurate fact-based advertising. Deceptive or misleading promotions may result in cancellation or termination of a Participant's ATP agreement and the recovery of CCC funds related to such promotions from the Participant.     (f) The ATP Participant must report any actions or circumstances that may have a bearing on the propriety of its ATP ***program*** to the appropriate Attach[eacute]/Counselor, and its U.S office shall report such actions or circumstances in writing to the CCC.

Sec.  1489.28   Contracting procedures.

    (a) Neither the CCC nor any other agency of the U. S. Government nor any official or employee of the CCC, FAS, USDA, or the U.S Government has any obligation or responsibility with respect to ATP Participant contracts with third parties.     (b) An ATP Participant shall comply with the procurement standards set forth below and in the applicable parts of this title when procuring goods and services and when engaging in construction to implement ***program*** agreements (for example, 2 CFR part 200).     (c) Each ATP Participant shall establish contracting procedures, for contracts that are funded, in whole or in part, with ATP funds, that are open, fair, and competitive.     (d) Each ATP Participant shall submit to the CCC, for CCC approval, written contracting guidelines for contracts that are funded, in whole or in part, with ATP funds. The CCC will notify all new and existing ATP Participants in writing in each Participant's approval letter and through the FAS website as to applicable submission dates for and dates for approvals of contracting guidelines. The CCC's approval of such contracting guidelines will remain in place until the CCC retracts its approval in writing, or until new guidelines are approved that supersede them. Once approved by the CCC, these contracting guidelines shall govern all of a Participant's ATP-funded contracting involving contracts with a minimum annual value that CCC will determine and announce in writing to all ATP Participants via an ATP notice issued on the FAS website. The CCC may, from time to time, set a different minimum value. In that case, the CCC will announce the new amount in writing to all ATP Participants via an ATP notice issued on the FAS website. The guidelines shall indicate the method for evaluating proposals received for all contract competitions, the method for monitoring and evaluating performance under contracts, and the method for initiating corrective action for unsatisfactory performance under contracts. The ATP Participant may modify and resubmit these guidelines for re-approval at any time. In addition to the requirements in 2 CFR part 200, these guidelines shall include, at a minimum, the following:     (1) Procedures for developing and publicizing requests for proposals, invitations for bids, and similar documents that solicit third party offers to provide goods or services. Solicitations for professional and technical services shall be based on clear and accurate descriptions of and requirements related to the services to be procured. Such procedures must include a conflict-of-interest provision that states that no employee, officer, board member, or agent thereof of the ATP Participant will participate in the review, selection, award or administration of a contract if a real or apparent conflict of interest would arise. Such a conflict would arise when an employee, official, board member, agent, or the employee's, officer's, board member's, agent's family, partners, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. Procedures shall provide that officers, employees, board members, and agents thereof shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or subcontractors. Procedures shall also provide for disciplinary actions to be applied for violations of such standards by officers, employees, board members or agents thereof;     (2) Procedures for reviewing proposals, bids, or other offers to provide goods and services. Separate procedures shall be developed for various situations, including, but not limited to: Solicitations for highly technical services; solicitations for services that are not common in a specific market; solicitations that yield receipt of three or more bids; solicitations that yield receipt of fewer than three bids;     (3) Requirements to conduct all contracting in an openly competitive manner. Individuals who develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals for procurement of any goods or services, and such individuals' families or partners, or an organization that employs or is about to employ any of the aforementioned, shall be excluded from competition for such procurement. ATP Participants' written contracting guidelines may detail special situations where the prohibitions in this subparagraph do not apply, such as in situations involving highly specialized technical services or situations where the services are not commonly offered in a specific market;     (4) Requirements to perform and document in the procurement files some form of price or cost analysis, such as a comparison of price quotations to market prices or other price indicia, to determine the reasonableness of the offered prices in connection with every procurement action that is governed by the contracting guidelines;     (5) Requirements to conduct an appropriate form of competition every three ***years*** on all multi-***year*** contracts that are governed by the contracting guidelines. However, contracts for in-country representation are not required to be re-competed after the initial reward. Instead, the performance of in-country representation must be evaluated and documented by the ATP Participant annually to ensure that the terms of the contract are being met in a satisfactory manner; and     (6) Requirements for written contracts with each provider of goods, services, or construction work. Such contracts shall require such providers to maintain adequate records to account for funds

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provided to them by the ATP Participant.     (e) An ATP Participant may undertake ATP promotional activities directly or through a domestic or foreign third party. However, the ATP Participant shall remain responsible and accountable to the CCC for all ATP promotional activities and related expenditures undertaken by such third party and shall be responsible for reimbursing CCC for any funds that CCC determines should be refunded to the CCC in relation to such third party's promotional activities and expenditures.

Sec.  1489.29  Property standards.

    The ATP Participant shall insure all ATP-funded property and equipment acquired in furtherance of ***program*** activities and safeguard such against theft, damage and unauthorized use. The Participant shall promptly report any loss, theft, or damage of property to the insurance company.

Sec.  1489.30  Anti-fraud requirements.

    (a) All ATP Participants. (1) All ATP Participants shall submit to the CCC for approval a detailed fraud prevention ***program***. The CCC will notify all new and existing ATP Participants in writing in each Participant's approval letter and through the FAS website as to applicable submission dates for and dates for approvals of fraud prevention ***programs***. ATP Participants should review their fraud prevention ***programs*** annually. The fraud prevention ***program*** shall, at a minimum, include an annual review of physical controls and weaknesses, a standard process for investigating and remediation of suspected fraud cases, and training in risk management and fraud detection for all current and future employees. The ATP Participant shall not conduct or permit any ATP promotion activities to occur unless and until the CCC has communicated in writing approval of the ATP Participant's fraud prevention ***program***.     (2) The ATP Participant, within five business days of receiving an allegation or information giving rise to a reasonable suspicion of misrepresentation or fraud that could give rise to a claim by CCC, shall report such allegation or information in writing to such USDA personnel as specified in the Participant's ATP ***program*** agreement and/ or approval letter. The ATP Participant shall cooperate fully in any USDA investigation of such allegation or occurrence of misrepresentation or fraud and shall comply with any directives given by the CCC or USDA to the ATP Participant for the prompt investigation of such allegation or occurrence.     (b) ATP Participants with brand ***programs***. (1) The ATP Participant may charge a fee to brand participants to cover the cost of the fraud prevention ***program***.     (2) The ATP Participant shall repay to the CCC funds paid to a brand participant through the ATP Participant on claims that the ATP Participant or the CCC subsequently determines are unauthorized or otherwise non-reimbursable expenses within 30 days of the ATP Participant's determination or CCC's disallowance. The ATP Participant shall repay CCC by submitting a check to CCC or by offsetting the ATP Participant's next reimbursement claim. The ATP Participant shall make such ***payment*** in U.S dollars, unless otherwise approved in advance by CCC. An ATP Participant operating a brand ***program*** in strict accordance with an approved fraud prevention ***program***, however, will not be liable to reimburse CCC for ATP funds paid on such claims if the claims were based on misrepresentations or fraud of the brand participant, its employees or agents, unless the CCC determines that the ATP Participant was grossly negligent in the operation of the brand ***program*** regarding such claims. The CCC shall communicate any such determination to the ATP Participant in writing.

Sec.  1489.31  ***Program*** income.

    Any revenue or refunds generated from an activity, e.g , participation fees, proceeds of sales, refunds of value added taxes (VAT), the expenditures for which have been wholly or partially reimbursed with ATP funds, shall be used by the ATP Participant in furtherance of its approved ATP activities in the ***program*** period during which the ATP funds are available for obligation by the ATP Participant. The use of such revenue or refunds shall be governed by 7 CFR part 1489. Interest earned on funds advanced by the CCC is not ***program*** income.

Sec.  1489.32  Amendment.

    A ***program*** agreement may be amended in writing with the consent of the CCC and the ATP Participant.

Sec.  1489.33  Noncompliance with an agreement.

    If an ATP Participant fails to comply with any term in its ***program*** agreement or approval letter, the CCC may take one or more of the enforcement actions in 2 CFR part 200 and, if, appropriate, initiate a claim against the ATP Participant, following the procedures set forth in this subpart. The CCC may also initiate a claim against an ATP Participant if ***program*** income or CCC-provided funds are lost due to an action or omission of the ATP Participant.

Sec.  1489.34  Suspension, termination, and closeout of agreements.

    A ***program*** agreement may be suspended or terminated in accordance with the suspension and termination procedures in 2 CFR part 200. If an agreement is terminated, the applicable regulations in 2 CFR part 200 will apply to the closeout of the agreement.

Sec.  1489.35  Paperwork reduction requirements.

    The paperwork and record keeping requirements imposed by this subpart have been submitted for review by OMB under the Paperwork Reduction Act of 1980. OMB has not yet assigned a control number for this information collection.

    Dated: August 27, 2018. Robert Stephenson, Executive Vice President, Commodity Credit Corporation.     Dated: August 27, 2018. Kenneth Isley, Administrator, Foreign ***Agricultural*** Service. [FR Doc. 2018-18870 Filed 8-28-18; 8:45 am]  BILLING CODE 3410-10-P

**Load-Date:** August 31, 2018

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[***Essex County, New Jersey, Couple and Son Charged in Food Stamp Scheme***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T7S-82Y1-JDG9-Y061-00000-00&context=1516831)

Impact News Service

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**Length:** 679 words

**Body**

Washington: US Department of Justice has issued the folowing news release:

An Essex County, New Jersey, couple and their son have been charged for their respective roles in a food stamps fraud scheme, U.S Attorney Craig Carpenito announced today.

Juan Perdomo, 59, and his son, Jose Perdomo, 34, both of Newark, are charged by complaint with Supplemental Nutrition Assistance ***Program*** (SNAP) benefit fraud and conspiracy to commit wire fraud. The Perdomos and Maria Rodriguez, 58, Juan’s wife and Jose’s mother, were also charged with money laundering conspiracy. All three had their initial court appearances before U.S Magistrate Judge Steven C. Mannion in Newark federal court.

According to documents filed in this case and statements made in court:

From October 2015 to the present, the defendants managed M&R Supermarket, a small grocery store in Newark, New Jersey, that was authorized to accept benefits provided by SNAP, formerly known as the Food Stamp ***Program***. The ***program*** is administered by the U.S Department of ***Agriculture***. Retail food stores approved for participation in SNAP may sell food in exchange for SNAP benefits. They may not exchange SNAP benefits for cash. While Juan Perdomo and Jose Perdomo run the store, Maria Rodriguez owns the store and is the person registered with SNAP. According to the complaint, M&R Supermarket exchanged more than $5 million in SNAP benefits for cash between 2015 and 2018.

Every SNAP recipient receives an Electronic Benefit ***Transfer*** (EBT) card, similar to a debit card, with which to make purchases. Every retailer authorized to accept SNAP benefits has an EBT terminal. Food purchases are made by swiping the card at the terminal. After the customer enters a Personal Identification Number (PIN), the EBT terminal verifies the PIN, determines whether the customer’s account balance is sufficient to cover the proposed transaction and informs the retailer whether the transaction should be authorized or denied. The amount of the purchase is deducted electronically from the SNAP benefits reserved for the customer and the amount is credited to the retailer’s designated bank account. In addition to the high volume of SNAP benefits redemptions for M&R Supermarket indicating fraud, law enforcement agents verified the fraudulent exchange of SNAP benefits for cash through the use of an agent working in an undercover capacity who engaged in at least 11 “purchases” at M&R Supermarket where Juan Perdomo or Jose Perdomo exchanged money for SNAP benefits.

The complaint also charges Juan Perdomo, Maria Rodriguez, and Jose Perdomo with conspiring to launder monetary instruments. The bank account of M&R Supermarket, where the store receives SNAP ***payments***, shows numerous cash withdrawals in excess of $10,000 by Juan Perdomo and Maria Rodriguez, as well as several cashed checks in excess of $10,000 by Jose Perdomo.

The counts for SNAP benefit fraud and conspiracy to commit wire fraud against Juan Perdomo and Jose Perdomo carry a maximum penalty of 20 ***years*** in prison and a fine of $250,000, or twice the gross pecuniary gain/loss. The counts of money laundering against all three defendants carry a maximum penalty of 10 ***years*** in prison and a fine of $250,000 or twice the value of the property involved in the transaction.

U.S Attorney Carpenito credited special agents of the U.S Department of ***Agriculture*** – Office of Inspector General, under the direction of Special Agent in Charge Bethanne M. Dinkins; U.S Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), under the direction of Acting Special Agent in Charge Brian Michael; IRS-Criminal Investigation, under the direction of Special Agent in Charge John Tafur; and U.S Secret Service, under the direction of Mark McKevitt, with the investigation leading to today’s charges.

The government is represented by Assistant U.S Attorney Leah Gould of the U.S Attorney’s Office Criminal Division in Newark.

The allegations and charges in the complaint are only accusations and the defendants are considered innocent unless and until proven guilty.

**Load-Date:** November 5, 2018

**End of Document**



[***EU budget czar Oettinger downplays budget drama***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TSG-RDY1-DXFJ-5368-00000-00&context=1516831)

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November 20, 2018 Tuesday 11:59 AM GMT

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**Byline:** Helen Fessenden in Brussels

**Dateline:** Brussels (dpa) -

**Body**

EU Budget Commissioner Guenther Oettinger took a dig at EU lawmakers on Tuesday, suggesting electoral posturing may explain a budget impasse between EU members states and the European Parliament.

Negotiations over the 2019 European Union budget broke down late Monday after the two sides failed to reach an agreement by the deadline of midnight. The European Commission is now required to submit a fresh proposal.

In response to newspaper headlines in his native Germany, Oettinger took to Twitter to downplay the significance of the dispute, saying it was not "dramatic."

"In the end, it was [only] 400 million euros from the 165-billion-euro EU budget," he wrote, noting the core disagreement is over whether last ***year***'s funds can be ***transferred*** to the new budget, as some in parliament have sought.

"It may also play a role that European Parliament elections are in May 2019," he added.

The budget covers everything from ***agricultural*** subsidies and support for poorer regions to research and education ***programmes***. Most money flows back to member states.

Negotiations are often fraught affairs, as member states typically seek to limit expenditures, while EU lawmakers usually advocate more spending.

For 2019, the parliament has called for a budget of 149.3 billion euros (170.2 billion dollars) in ***payments***. That is slightly more than what member states had agreed on, a total of 148.2 billion euros.

If negotiators cannot agree on a new budget by January 1, the EU will have to revert to emergency budgets, in which spending is assessed pro rata each month with the last budget as a basis.

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**Load-Date:** November 21, 2018

**End of Document**



[***What really happened in Security Council: China REJECTED oil embargo on North Korea***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R7Y-YS41-JCMN-Y229-00000-00&context=1516831)

The Duran

December 24, 2017 Sunday 5:28 PM EST

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**Length:** 6616 words

**Byline:** Alexander Mercouris

**Body**

Dec 24, 2017( The Duran: [*http://theduran.com*](http://theduran.com) Delivered by Newstex) It is now clear that ever since North Korea carried out its Hwasong 15 ICBM launch complex three party negotiations between the US, China and Russia have been underway in great secrecy in order to agree a further sanctions resolution in the UN Security Council against North Korea. Almost certainly the two recent telephone conversations between US President Trump and Russian President Putin have touched on this.The unusual secrecy in which the negotiations were conducted meant that when the sanctions resolution was finally agreed and was voted for unanimously by the UN Security Council it came as something of a surprise. In the run up to the vote the US had however been making fully clear what sort of pressure it wanted the UN Security Council and China specifically to impose on North Korea: a total embargo on all supplies of oil to North Korea along with a naval blockade and an effective cessation of all trade between North Korea and the outside world.

[*https://www.paypal.me/theduran/The*](https://www.paypal.me/theduran/The) important point to take away from the UN Security Council meeting is that China again rejected these demands. Here it is important to make a number of points about China's deliveries of crude oil to North Korea.Firstly, crude oil is about the only product North Korea needs to import in order to keep its economy going which it cannot produce itself. I say this though it is known that North Korea has been stockpiling crude oil in anticipation of a possible future embargo of crude oil deliveries to itself and would probably be able to keep its economy going for some time albeit at a reduced rate if crude oil were indeed cut off. By contrast North Korea is able to refine crude oil and can sustain its economy if refined oil products such as petroleum are cut off, provided it continues to be supplied with crude oil in sufficient quantity. I would add briefly and in parenthesis that the Germans in the 1930s perfected a technology for making synthetic oil from coal, which North Korea produces itself and of which it has no shortage. The procedure is however complicated and expensive and comes with environmental cost. There is no information that North Korea has copied it, though presumably over time it could do so. Secondly, all crude oil which North Korea imports comes from China. Thirdly, it appears that China does not actually require ***payment*** from North Korea for this crude oil, which is provided essentially as a gift. The text of the latest sanctions resolution voted for unanimously by the UN Security Council is provided at the end of this article. Its key provision is paragraph 4 which caps crude oil deliveries to North Korea at four million barrels for any twelve month period. Not only does this however fall well short of a total oil embargo. It is the same amount that China supplied to North Korea last ***year***. In other words China has again rejected the US demand for a total oil embargo, and specifically for a total embargo on all crude oil supplies. Moreover the text of the resolution shows that China has also rejected the US demand for a naval blockade of North Korea. Instead a complex system of inspections of North Korean ships suspected of trading in prohibited products has been introduced, which however will be subject to ultimate supervision by the UN Security Council itself. In addition it is clear that cross border trader between China and North Korean private traders, which has become increasingly important for the North Korean economy, will continue as before. The resolution will however significantly toughen economic conditions in North Korea. The key point is that though North Korea is able to refine its own petroleum, it must now do so from the crude oil it imports, which is now capped at last ***year***'s levels. The point is explained clearly in a commentary[1] by China's official Xinhua news agencyThe resolution sets a ceiling of 500,000 barrels for the import of refined petroleum to the DPRK during a 12-month period beginning from Jan. 1, 2018. That reduces the country's import of refined oil by almost 90 percent, and is a reduction from the 4.5 million barrels it imported in 2016, as well as a 2 million-barrel limit stipulated in a September resolution. The resolution also restricts the DPRK's crude oil imports to no more than 4 million barrels a ***year*** and requests that countries supplying oil to Pyongyang provide a quarterly report to the Security Council committee monitoring the sanctions. The U.S.-drafted resolution refrains from banning all oil imports for the Northeastern Asian nation, something the administration of President Donald Trump has threatened many times amid Pyongyang's non-stop provocative actions.In summary, China will supply to North Korea sufficient crude oil to enable North Korea to sustain its civilian economy. However by ending all but a small quantity of North Korea's imports of petroleum and refined oil products China is trying to force North Korea to choose between sustaining its civilian economy or its military, which like all militaries everywhere is a major user of petroleum products. The calculation appears to be that North Korea will soon run out of sufficient refined oil products such as petroleum to do both, and that rather than risk its civilian economy it will cut back on its military and its ballistic missile and nuclear weapons ***programme***, which is itself a heavy user of refined oil products. That this is indeed China's calculation is explained in detail by an editorial[2] in the semi official Chinese English language newspaper Global Times.Chinese society says no to North Korea's development of nuclear technologies but also feels sympathetic toward North Korean people that suffer the hardships. We hope the sanctions only target its nuclear development and missile activities. We do not want to hurt people's livelihoods or impair the stability of the regime.The problem is that this calculation may prove wrong. On this issue there now appears to be a difference between China and Russia, with the Russians warning that no amount of sanctions will ever persuade the North Koreans to give up on their ballistic missile and nuclear weapons ***programme***. The Russians are almost certainly right. Not only have the North Koreans shown a complete unwillingness to compromise on their ballistic missile and nuclear weapons ***programme*** up to now, but with that ***programme*** now very close to success, with the Hwasong-15 apparently capable of reaching any part of the continental US, and with North Korea apparently very close to miniaturising a thermonuclear warhead for it, North Korea has no real incentive to draw back now. Perhaps in a ***year***'s time, when the key elements of the ***programme*** are completed, it may do so, but having got so far there seems little point in doing so now. The question is what happens if North Korea presses ahead? Global Times makes China's concerns clearChinese society says no to North Korea's development of nuclear technologies but also feels sympathetic toward North Korean people that suffer the hardships. We hope the sanctions only target its nuclear development and missile activities. We do not want to hurt people's livelihoods or impair the stability of the regime. Beijing has endured mounting pressure from Washington. Pyongyang's nuclear and missile development is unacceptable. It is also unacceptable to use force against it and change the political situation in North Korea and the Korean Peninsula. It is hoped that Washington and Pyongyang can discover their common interests. The new resolution is extremely harsh. It may be the last hope for a desperate situation on the peninsula. South Korea recently said it could suspend joint military drills with the US until after the PyeongChang Winter Olympics in February 2018. It is hoped Pyongyang gets the message and responds positively. A peaceful solution to the nuclear crisis is becoming more costly for both North Korea and the US.This suggests that the Chinese see the resolution as the last chance to avoid war. If so, and if that is right, then since there is practically no chance of North Korea drawing back war is indeed coming. The full text of Security Council resolution 2397 (2017) reads as follows: 'The Security Council, 'Recalling its previous relevant resolutions, including resolution 825 (1993), resolution 1695 (2006), resolution 1718 (2006), resolution 1874 (2009), resolution 1887 (2009), resolution 2087 (2013), resolution 2094 (2013), resolution 2270 (2016), resolution 2321 (2016), resolution 2356 (2017), resolution 2371 (2017), resolution 2375 (2017), as well as the statements of its President of 6 October 2006 (document S/PRST/2006/41[3]), 13 April 2009 (document S/PRST/2009/7[4]), 16 April 2012 (document S/PRST/2012/13[5]), and 29 August 2017 (document S/PRST/2017/16[6]), 'Reaffirming that proliferation of nuclear, chemical and biological weapons, as well as their means of delivery, constitutes a threat to international peace and security, 'Expressing its gravest concern at the ballistic missile launch by the Democratic People's Republic of Korea (DPRK) on 28 November 2017 in violation of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) 2321 (2016), 2356 (2017), 2371 (2017), and 2375 (2017) and at the challenge such a test constitutes to the Treaty on Non‑Proliferation of Nuclear Weapons (NPT) and to international efforts aimed at strengthening the global regime of non‑proliferation of nuclear weapons, and the danger it poses to peace and stability in the region and beyond, 'Underlining once again the importance that the DPRK respond to other security and humanitarian concerns of the international community, including the necessity of the DPRK respecting and ensuring the welfare, inherent dignity, and rights of people in the DPRK, and expressing great concern that the DPRK continues to develop nuclear weapons and ballistic missiles by diverting critically needed resources away from the people in the DPRK at tremendous cost when they have great unmet needs, 'Acknowledging that the proceeds of the DPRK's trade in sectoral goods, including but not limited to coal, iron, iron ore, lead, lead ore, textiles, seafood, gold, silver, rare earth minerals and other prohibited metals, as well as the revenue generated from DPRK workers overseas, among others, contribute to the DPRK's nuclear weapons and ballistic missile ***programs***, 'Expressing its gravest concern that the DPRK's ongoing nuclear- and ballistic missile‑related activities have destabilized the region and beyond, and determining that there continues to exist a clear threat to international peace and security, 'Acting under Chapter VII of the Charter of the United Nations, and taking measures under Article 41, '1. Condemns in the strongest terms the ballistic missile launch conducted by the DPRK on 28 November 2017 in violation and flagrant disregard of the Security Council's resolutions; '2. Reaffirms its decisions that the DPRK shall not conduct any further launches that use ballistic missile technology, nuclear tests, or any other provocation; shall immediately suspend all activities related to its ballistic missile ***program*** and in this context re‑establish its pre‑existing commitments to a moratorium on all missile launches; shall immediately abandon all nuclear weapons and existing nuclear ***programs*** in a complete, verifiable and irreversible manner, and immediately cease all related activities; and shall abandon any other existing weapons of mass destruction and ballistic missile ***programs*** in a complete, verifiable and irreversible manner; Designations '3. Decides that the measures specified in paragraph 8(d) of resolution 1718 (2006) shall apply also to the individuals and entities listed in annex I and II of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and decides further that the measures specified in paragraph 8(e) of resolution 1718 (2006) shall also apply to the individuals listed in annex I of this resolution and to individuals acting on their behalf or at their direction; Sectoral '4. Decides that all Member States shall prohibit the direct or indirect supply, sale or ***transfer*** to the DPRK, through their territories or by their nationals, or using their flag vessels, aircraft, pipelines, rail lines, or vehicles and whether or not originating in their territories, of all crude oil, unless the Committee approves in advance on a case‑by‑case basis a shipment of crude oil which is exclusively for livelihood purposes of DPRK nationals and unrelated to the DPRK's nuclear or ballistic missile ***programmes*** or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) or this resolution, further decides that this prohibition shall not apply with respect to crude oil that, for a period of twelve months after the date of adoption of this resolution, and for 12-month periods thereafter, does not exceed 4 million barrels or 525,000 tons in the aggregate per twelve month period, and decides that all Member States providing crude oil shall provide a report to the Committee every 90 days from the date of adoption of this resolution of the amount of crude oil provided to the DPRK; '5. Decides that all Member States shall prohibit the direct or indirect supply, sale or ***transfer*** to the DPRK, through their territories or by their nationals, or using their flag vessels, aircraft, pipelines, rail lines, or vehicles, and whether or not originating in their territories, of all refined petroleum products, decides that the DPRK shall not procure such products, further decides that this provision shall not apply with respect to procurement by the DPRK or the direct or indirect supply, sale, or ***transfer*** to the DPRK, through their territories or by their nationals, or using their flag vessels, aircraft, pipelines, rail lines, or vehicles, and whether or not originating in their territories, of refined petroleum products, including diesel and kerosene, in the aggregate amount of up to 500,000 barrels during a period of twelve months beginning on January 1, 2018, and for twelve month periods thereafter, provided that (a) the Member State notifies the Committee every thirty days of the amount of such supply, sale, or ***transfer*** to the DPRK of refined petroleum products along with information about all the parties to the transaction, (b) the supply, sale, or ***transfer*** of refined petroleum products involve no individuals or entities that are associated with the DPRK's nuclear or ballistic missile ***programmes*** or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution, including designated individuals or entities, or individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them, directly or indirectly, or individuals or entities assisting in the evasion of sanctions, and (c) the supply, sale, or ***transfer*** of refined petroleum products are exclusively for livelihood purposes of DPRK nationals and unrelated to generating revenue for the DPRK's nuclear or ballistic missile ***programmes*** or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) or this resolution, directs the Committee Secretary beginning on 1 January 2018 to notify all Member States when an aggregate amount of refined petroleum products sold, supplied, or ***transferred*** to the DPRK of 75 per cent of the aggregate ***yearly*** amounts have been reached, also directs the Committee Secretary beginning on 1 January 2018 to notify all Member States when an aggregate amount of refined petroleum products sold, supplied, or ***transferred*** to the DPRK of 90 per cent of the aggregate ***yearly*** amounts have been reached, and further directs the Committee Secretary beginning on 1 January 2018 to notify all Member States when an aggregate amount of refined petroleum products sold, supplied, or ***transferred*** to the DPRK of 95 per cent of the aggregate ***yearly*** amounts have been reached and to inform them that they must immediately cease selling, supplying, or ***transferring*** refined petroleum products to the DPRK for the remainder of the ***year***, directs the Committee to make publicly available on its website the total amount of refined petroleum products sold, supplied, or ***transferred*** to the DPRK by month and by source country, directs the Committee to update this information on a real-time basis as it receives notifications from Member States, calls upon all Member States to regularly review this website to comply with the annual limits for refined petroleum products established by this provision beginning on 1 January 2018, directs the Panel of Experts to closely monitor the implementation efforts of all Member States to provide assistance and ensure full and global compliance, and requests the Secretary-General to make the necessary arrangements to this effect and provide additional resources in this regard; '6. Decides that the DPRK shall not supply, sell or ***transfer***, directly or indirectly, from its territory or by its nationals or using its flag vessels or aircraft, food and ***agricultural*** products (HS codes 12, 08, 07), machinery (HS code 84), electrical equipment (HS code 85), earth and stone including magnesite and magnesia (HS code 25), wood (HS code 44), and vessels (HS code 89), and that all States shall prohibit the procurement of the above-mentioned commodities and products from the DPRK by their nationals, or using their flag vessels or aircraft, whether or not originating in the territory of the DPRK, clarifies that the full sectoral ban on seafood in paragraph 9 of resolution 2371 (2017) prohibits the DPRK from selling or ***transferring***, directly or indirectly, fishing rights, and further decides that for sales of and transactions involving all commodities and products from the DPRK whose ***transfer***, supply, or sale by the DPRK are prohibited by this paragraph and for which written contracts have been finalized prior to the adoption of this resolution, all States may only allow those shipments to be imported into their territories up to 30 days from the date of adoption of this resolution with notification provided to the Committee containing details on those imports by no later than 45 days after the date of adoption of this resolution; '7. Decides that all Member States shall prohibit the direct or indirect supply, sale or ***transfer*** to the DPRK, through their territories or by their nationals, or using their flag vessels, aircraft, pipelines, rail lines, or vehicles and whether or not originating in their territories, of all industrial machinery (HS codes 84 and 85), transportation vehicles (HS codes 86 through 89), and iron, steel, and other metals (HS codes 72 through 83) and further decides that this provision shall not apply with respect to the provision of spare parts needed to maintain the safe operation of DPRK commercial civilian passenger aircraft (currently consisting of the following aircraft models and types: An-24R/RV, An-148-100B, Il-18D, Il-62M, Tu-134B-3, Tu-154B, Tu-204-100B, and Tu-204-300); '8. Expresses concern that DPRK nationals continue to work in other States for the purpose of generating foreign export earnings that the DPRK uses to support its prohibited nuclear and ballistic missile ***programs*** despite the adoption of paragraph 17 of resolution 2375 (2017), decides that Member States shall repatriate to the DPRK all DPRK nationals earning income in that Member State's jurisdiction and all DPRK government safety oversight attachés monitoring DPRK workers abroad immediately but no later than 24 months from the date of adoption of this resolution unless the Member State determines that a DPRK national is a national of that Member State or a DPRK national whose repatriation is prohibited, subject to applicable national and international law, including international refugee law and international human rights law, and the United Nations Headquarters Agreement and the Convention on the Privileges and Immunities of the United Nations, and further decides that all Member States shall provide a midterm report by 15 months from the date of adoption of this resolution of all DPRK nationals earning income in that Member State's jurisdiction that were repatriated over the 12 month period starting from the date of adoption of this resolution, including an explanation of why less than half of such DPRK nationals were not repatriated by the end of that 12 month period if applicable, and all Member States shall provide final reports by 27 months from the date of adoption of this resolution; Maritime Interdiction of Cargo Vessels '9. Notes with great concern that the DPRK is illicitly exporting coal and other prohibited items through deceptive maritime practices and obtaining petroleum illegally through ship-to-ship ***transfers*** and decides that Member States shall seize, inspect, and freeze (impound) any vessel in their ports, and may seize, inspect, and freeze (impound) any vessel subject to its jurisdiction in its territorial waters, if the Member State has reasonable grounds to believe that the vessel was involved in activities, or the transport of items, prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution, encourages Member States to consult with the flag States of relevant vessels once they are seized, inspected, and frozen (impounded), and further decides that, after six months from the date such vessels were frozen (impounded), this provision shall not apply if the Committee decides, on a case-by-case basis and upon request of a flag State, that adequate arrangements have been made to prevent the vessel from contributing to future violations of these resolutions; '10. Decides that when a Member State has information to suspect that the DPRK is attempting to supply, sell, ***transfer*** or procure, directly or indirectly, illicit cargo, that Member State may request additional maritime and shipping information from other relevant Member States, including to determine whether the item, commodity, or product in question originated from the DPRK, further decides that all Member States receiving such inquiries shall respond as promptly as possible to such requests in an appropriate manner, decides that the Committee, with the support of its Panel of Experts, shall facilitate timely coordination of such information requests through an expedited process, and requests the Secretary-General to make the necessary arrangements to this effect and provide additional resources to the Committee and the Panel of Experts in this regard; '11. Reaffirms paragraph 22 of resolution 2321 (2016) and decides that each Member State shall prohibit its nationals, persons subject to its jurisdiction and entities incorporated in its territory or subject to its jurisdiction from providing insurance or re-insurance services to vessels it has reasonable grounds to believe were involved in activities, or the transport of items, prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution, unless the Committee determines on a case-by-case basis that the vessel is engaged in activities exclusively for livelihood purposes which will not be used by DPRK individuals or entities to generate revenue or exclusively for humanitarian purposes; '12. Reaffirms paragraph 24 of resolution 2321 (2016) and decides that each Member State shall de-register any vessel it has reasonable grounds to believe was involved in activities, or the transport of items, prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution and prohibit its nationals, persons subject to its jurisdiction and entities incorporated in its territory or subject to its jurisdiction from thereafter providing classification services to such a vessel except as approved in advance by the Committee on a case-by-case basis, and further decides that Member States shall not register any such vessel that has been de-registered by another Member State pursuant to this paragraph except as approved in advance by the Committee on a case-by-case basis; '13. Expresses concern that DPRK-flagged, controlled, chartered, or operated vessels intentionally disregard requirements to operate their automatic identification systems (AIS) to evade UNSCR sanctions monitoring by turning off such systems to mask their full movement history and calls upon Member States to exercise enhanced vigilance with regards to such vessels conducting activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution; '14. Recalls paragraph 30 of resolution 2321 (2016) and decides that all Member States shall prevent the direct or indirect supply, sale or ***transfer*** to the DPRK, through their territories or by their nationals, or using their flag vessels or aircraft, and whether or not originating in their territories, of any new or used vessels, except as approved in advance by the Committee on a case-by-case basis; '15. Decides that, if a Member State has information regarding the number, name, and registry of vessels encountered in its territory or on the high seas that are designated by the Security Council or by the Committee as subject to the asset freeze imposed by paragraph 8(d) of resolution 1718 (2006), the various measures imposed by paragraph 12 of resolution 2321 (2016), the port entry ban imposed by paragraph 6 of resolution 2371 (2017), or relevant measures in this resolution, then the Member State shall notify the Committee of this information and what measures were taken to carry out an inspection, an asset freeze and impoundment or other appropriate action as authorized by the relevant provisions of resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017), or this resolution; '16. Decides that the provisions of this resolution shall not apply with respect solely to the trans-shipment of Russia-origin coal to other countries through the Russia-DPRK Rajin-Khasan port and rail project, as permitted by paragraph 8 of resolution 2371 (2017) and paragraph 18 of resolution 2375 (2017); Sanctions Implementation '17. Decides that Member States shall report to the Security Council within ninety days of the adoption of this resolution, and thereafter upon request by the Committee, on concrete measures they have taken in order to implement effectively the provisions of this resolution, requests the Panel of Experts, in cooperation with other UN sanctions monitoring groups, to continue its efforts to assist Member States in preparing and submitting such reports in a timely manner; '18. Calls upon all Member States to redouble efforts to implement in full the measures in resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and this resolution and to cooperate with each other in doing so, particularly with respect to inspecting, detecting and seizing items the ***transfer*** of which is prohibited by these resolutions; '19. Decides that the mandate of the Committee, as set out in paragraph 12 of resolution 1718 (2006), shall apply with respect to the measures imposed in this resolution and further decides that the mandate of the Panel of Experts, as specified in paragraph 26 of resolution 1874 (2009) and modified in paragraph 1 of resolution 2345 (2017), shall also apply with respect to the measures imposed in this resolution; '20. Decides to authorize all Member States to, and that all Member States shall, seize and dispose (such as through destruction, rendering inoperable or unusable, storage, or ***transferring*** to a State other than the originating or destination States for disposal) of items the supply, sale, ***transfer***, or export of which is prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) or this resolution that are identified in inspections, in a manner that is not inconsistent with their obligations under applicable Security Council resolutions, including resolution 1540 (2004), as well as any obligations of parties to the NPT, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Development of 29 April 1997, and the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction of 10 April 1972; '21. Emphasizes the importance of all States, including the DPRK, taking the necessary measures to ensure that no claim shall lie at the instance of the DPRK, or of any person or entity in the DPRK, or of persons or entities designated for measures set forth in resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) or this resolution, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures imposed by this resolution or previous resolutions; '22. Emphasizes that the measures set forth in resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and this resolution shall in no way impede the activities of diplomatic or consular missions in the DPRK pursuant to the Vienna Conventions on Diplomatic and Consular Relations; Political '23. Reiterates its deep concern at the grave hardship that the people in the DPRK are subjected to, condemnsthe DPRK for pursuing nuclear weapons and ballistic missiles instead of the welfare of its people while people in the DPRK have great unmet needs, emphasizes the necessity of the DPRK respecting and ensuring the welfare and inherent dignity of people in the DPRK, and demands that the DPRK stop diverting its scarce resources toward its development of nuclear weapons and ballistic missiles at the cost of the people in the DPRK; '24. Regrets the DPRK's massive diversion of its scarce resources toward its development of nuclear weapons and a number of expensive ballistic missile ***programs***, notes the findings of the United Nations Office for the Coordination of Humanitarian Assistance that well over half of the people in the DPRK suffer from major insecurities in food and medical care, including a very large number of pregnant and lactating women and under-five children who are at risk of malnutrition and 41 per cent of its total population who are undernourished, and, in this context, expresses deep concern at the grave hardship to which the people in the DPRK are subjected; '25. Reaffirms that the measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and this resolution are not intended to have adverse humanitarian consequences for the civilian population of the DPRK or to affect negatively or restrict those activities, including economic activities and cooperation, food aid and humanitarian assistance, that are not prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and this resolution, and the work of international and non‑governmental organizations carrying out assistance and relief activities in the DPRK for the benefit of the civilian population of the DPRK, stresses the DPRK's primary responsibility and need to fully provide for the livelihood needs of people in the DPRK, and decides that the Committee may, on a case-by-case basis, exempt any activity from the measures imposed by these resolutions if the committee determines that such an exemption is necessary to facilitate the work of such organizations in the DPRK or for any other purpose consistent with the objectives of these resolutions; '26. Reaffirms its support for the Six Party Talks, calls for their resumption, and reiterates its support for the commitments set forth in the Joint Statement of 19 September 2005 issued by China, the DPRK, Japan, the Republic of Korea, the Russian Federation, and the United States, including that the goal of the Six-Party Talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner and the return of the DPRK to the Non-proliferation Treaty (NPT) and International Atomic Energy Agency safeguards at an early date, bearing in mind the rights and obligations of States parties to the NPT and underlining the need for all States parties to the NPT to continue to comply with their Treaty obligations, that the United States and the DPRK undertook to respect each other's sovereignty and exist peacefully together, that the Six Parties undertook to promote economic cooperation, and all other relevant commitments; '27. Reiterates the importance of maintaining peace and stability on the Korean Peninsula and in north-east Asia at large, and expresses its commitment to a peaceful, diplomatic, and political solution to the situation and welcomes efforts by the Council members as well as other States to facilitate a peaceful and comprehensive solution through dialogue and stresses the importance of working to reduce tensions in the Korean Peninsula and beyond; '28. Affirms that it shall keep the DPRK's actions under continuous review and is prepared to strengthen, modify, suspend or lift the measures as may be needed in light of the DPRK's compliance, and, in this regard, expresses its determination to take further significant measures in the event of a further DPRK nuclear test or launch, and decides that, if the DPRK conducts a further nuclear test or a launch of a ballistic missile system capable of reaching intercontinental ranges or contributing to the development of a ballistic missile system capable of such ranges, then the Security Council will take action to restrict further the export to the DPRK of petroleum; '29. Decides to remain seized of the matter.' Annex I Travel Ban/Asset Freeze (Individuals) 1. CH'OE SO'K MIN a. Description: Ch'oe So'k-min is an overseas Foreign Trade Bank representative. In 2016, Ch'oe So'k-min was the deputy representative at the Foreign Trade Bank branch office in that overseas location. He has been associated with cash ***transfers*** from that overseas Foreign Trade Bank office to banks affiliated with North Korean special organizations and Reconnaissance General Bureau operatives located overseas in an effort to evade sanctions. b. AKA: n/a c. Identifiers: DOB: 25 July 1978; Nationality: DPRK; Gender: male 2. CHU HYO'K a. Description: Chu Hyo'k is a North Korean national who is an overseas Foreign Trade Bank representative. b. AKA: Ju Hyok c. Identifiers: DOB: 23 November 1986; Passport No. 836420186 issued 28 October 2016 expires 28 October 2021; Nationality: DPRK; Gender: male 3. KIM JONG SIK a. Description: A leading official guiding the DPRK's WMD development efforts. Serving as Deputy Director of the Workers' Party of Korea Munitions Industry Department. b. A.K.A.: Kim Cho'ng-sik c. Identifiers: YOB: between 1967 and 1969; Nationality: DPRK; Gender: male; Address: DPRK 4. KIM KYONG IL a. Description: Kim Kyong Il is a Foreign Trade Bank deputy chief representative in Libya. b. AKA: Kim Kyo'ng-il c. Identifiers: Location Libya; DOB: 01 August 1979; Passport No. 836210029; Nationality: DPRK; Gender: male 5. KIM TONG CHOL a. Description: Kim Tong Chol is an overseas Foreign Trade Bank representative. b. AKA: Kim Tong-ch'o'l c. Identifiers: DOB: 28 January 1966; Nationality: DPRK; Gender: male 6. KO CHOL MAN a. Description: Ko Chol Man is an overseas Foreign Trade Bank representative. b. AKA: Ko Ch'o'l-man c. Identifiers: DOB: 30 September 1967; Passport No. 472420180; Nationality: DPRK; Gender: male 7. KU JA HYONG a. Description: Ku Ja Hyong is a Foreign Trade Bank chief representative in Libya. b. AKA: Ku Cha-hyo'ng c. Identifiers: Location Libya; DOB: 08 September 1957; Nationality: DPRK; Gender: male 8. MUN KYONG HWAN a. Description: Mun Kyong Hwan is an overseas Bank of East Land representative. b. AKA: Mun Kyo'ng-hwan c. Identifiers: DOB: 22 August 1967; Passport No. 381120660 expires 25 March 2016; Nationality: DPRK; Gender: male 9. PAE WON UK a. Description: Pae Won Uk is an overseas Daesong Bank representative. b. AKA: Pae Wo'n-uk c. Identifiers: DOB: 22 August 1969; Nationality: DPRK; Gender: male; Passport No. 472120208 expires 22 Feb 2017 10. PAK BONG NAM a. Description: Pak Bong Nam is an overseas Ilsim International Bank representative. b. AKA: Lui Wai Ming; Pak Pong Nam; Pak Pong-nam c. Identifiers: DOB: 06 May 1969; Nationality: DPRK; Gender: male 11. PAK MUN IL a. Description: Pak Mun Il is an overseas official of Korea Daesong Bank. b. AKA: Pak Mun-il c. Identifiers: DOB 01 January 1965; Passport No. 563335509 expires 27 August 2018; Nationality: DPRK; Gender: male 12. RI CHUN HWAN a. Description: Ri Chun Hwan is an overseas Foreign Trade Bank representative. b. AKA: Ri Ch'un-hwan c. Identifiers: DOB 21 August 1957; Passport No. 563233049 expires 09 May 2018; Nationality: DPRK; Gender: male 13. RI CHUN SONG a. Description: Ri Chun Song is an overseas Foreign Trade Bank representative. b. AKA: Ri Ch'un-so'ng c. Identifiers: DOB: 30 October 1965; Passport No. 654133553 expires 11 March 2019; Nationality: DPRK; Gender: male 14. RI PYONG CHUL a. Description: Alternate Member of the Political Bureau of the Workers' Party of Korea and First Vice Director of the Munitions Industry Department. b. A.K.A.: Ri Pyo'ng-ch'o'l c. Identifiers: YOB: 1948; Nationality: DPRK; Gender: male; Address: DPRK 15. RI SONG HYOK a. Description: Ri Song Hyok is an overseas representative for Koryo Bank and Koryo Credit Development Bank and has reportedly established front companies to procure items and conduct financial transactions on behalf of North Korea. b. AKA: Li Cheng He c. Identifiers: DOB: 19 March 1965; Nationality: DPRK; Gender: male 16. RI U'N SO'NG a. Description: Ri U'n-so'ng is an overseas Korea Unification Development Bank representative. b. AKA: Ri Eun Song; Ri Un Song c. Identifiers: DOB: 23 July 1969; Nationality: DPRK; Gender: male Annex II Asset Freeze (Entities) 1. MINISTRY OF THE PEOPLE'S ARMED FORCES (MPAF) a. Description: The Ministry of the People's Armed Forces manages the general administrative and logistical needs of the Korean People's Army. b. Location: Pyongyang, DPRK   [*http://shareasale.com/r.cfm?b=1055761...486362...1388...link=...track=*](http://shareasale.com/r.cfm?b=1055761...486362...1388...link=...track=) [ 1]:   [*http://www.xinhuanet.com/english/2017-12/23/c\_136847323.htm*](http://www.xinhuanet.com/english/2017-12/23/c_136847323.htm) [ 2]:   [*http://www.globaltimes.cn/content/1081686.shtml*](http://www.globaltimes.cn/content/1081686.shtml) [ 3]:   [*https://undocs.org/S/PRST/2006/41*](https://undocs.org/S/PRST/2006/41) [ 4]:   [*https://undocs.org/S/PRST/2009/7*](https://undocs.org/S/PRST/2009/7) [ 5]:   [*https://undocs.org/S/PRST/2012/13*](https://undocs.org/S/PRST/2012/13) [ 6]:   [*https://undocs.org/S/PRST/2017/16*](https://undocs.org/S/PRST/2017/16)

**Load-Date:** December 24, 2017

**End of Document**



[***The farm bill is changing for the worse***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TVM-9351-F0YC-N2Y4-00000-00&context=1516831)

Impact News Service

November 29, 2018 Thursday

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**Length:** 626 words

**Body**

Washington, D.C: American Enterprise Institute  has issued the following press release:

In the midst of this week’s negotiations over the farm bill, House Committee on ***Agriculture*** Chairman Mike Conaway (R-TX) is pushing to remove any limits on subsidy ***payments*** to farms through what has become known as his “nieces and nephews” provision. This provision would increase the number of people eligible to receive up to $125,000 in subsidy ***payments*** under one of two major income ***transfer*** ***programs***, whether the people in question really participate in the farm business or not.

Currently, only two people per each farm business can be eligible for these ***programs*** — called Price Loss Coverage and ***Agricultural*** Risk Coverage — capping total ***payments*** to a farm business to $250,000. However, the “nephews and nieces” provision proposed by the current chair of the House Committee on ***Agriculture*** would substantially increase the number of people eligible for a ***payment***. For example, an agribusiness owner with four “nieces and nephews” described as “actively engaged in farming,” because they participate in an annual earning’s conference call, would be allowed to classify those four people as “actively engaged” because of that call. The owners would then be able to increase the subsidy paid to the farm business up to a limit of $1.5 million a ***year***.

Congressman Conaway’s “defense of the realm” argument for his proposed expansion of subsidies is reported by CNN to be as follows: “Farming today isn’t sitting on a tractor or working in the fields; it can be marketing your crop, managing your labor, all of the things that a normal business does. All of those things are management [activities], and they are no less important to farming than any other type of activity.” Rep. Conaway further argues that if a farm business is large and complex, “Washington should not attempt an arbitrary one size fits all approach to them” by restricting subsidy ***payments*** to a mere $250,000 per farm. His argument can be distilled to the following simple assertion that many farm lobbies have put forward over the past thirty ***years***: the purpose of farm subsidies is to subsidize every acre farmed for subsidy-eligible crops.

Most voters and many legislators view farm subsidies as intended to help vulnerable small and medium-sized family farms that are struggling financially, not large-scale agribusinesses with thousands of acres. So which farm businesses would benefit most from Chairman Conaway’s proposal? The answer is straightforward: a very few very wealthy ones. Less than one percent of all farm businesses are currently affected by the current $250,000 cap on subsidies and they are all large-scale agribusinesses.

So, what would such a farm look like? In 2014 and 2015, many farm businesses raising corn in Iowa received annual ***payments*** subject to subsidy limits that averaged about $80 per acre over the two-***year*** period 2014-2015. A farm business that produced only corn would have to manage around 3,200 or more acres of corn land to be subject to the ***payment*** limit. Given that productive corn land in Iowa sells for over $10,000 an acre and the average farm business owns just over 60 percent of the land being farmed, the farm business would have to own assets worth at least $19 million (and more, when buildings and equipment owned by the farm are included). Not to mention the average debt-to-asset ratio in US ***agriculture*** of less than 13 percent is at a near record low.

The beneficiaries of Chairman Conaway’s proposed “nieces and nephews” initiative are not vulnerable small family farms that most voters or legislators would see as needing assistance, but huge ***agricultural*** business concerns. The initiative would simply be another win for crony capitalism.

**Load-Date:** November 30, 2018

**End of Document**



[***Cargill extends direct sourcing program to four more districts after doubling sustainably sourced cocoa in Ghana***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T6H-D3J1-JC6M-X17B-00000-00&context=1516831)

ConfectioneryNews.com

September 6, 2018 Thursday 10:09 AM GMT+1

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**Length:** 788 words

**Byline:** Douglas Yu, , [*Douglas*](mailto:Douglas)

**Body**

Cargill says its licensed buying company (LBC) model has helped double sustainably sourced cocoa in Ghana during the 2017/2018 crop season to 10 billion tons, and it will extend the ***program*** to four more districts moving forward.

The high tech-involved LBC has been operating in seven districts in Ghana since November, 2016, including Awaso, Anhwiaso, Wiawso, Asawinso, Effiduase, Nyinahin and Ampenim. It allows Cargill to directly source cocoa from certified farmers.

Farmers deliver their cocoa to community warehouses, where their beans are digitally weighed, assigned a fully traceable bar codes and funds are then ***transferred*** to their e-wallets on their smartphones.

Second premium ***payment***

Cargill said over 13,000 farmers are now benefiting from LBC, up by 30% compared to last ***year***.

“Cargill makes its second sustainable premium ***payment*** of $870k to farmers [since establishing LBC]. These premium ***payments*** currently represent the highest ***payment*** paid per bag of certified cocoa in the industry for the 2017/2018 crop season in Ghana,”​ said the company.

It added the half of the premium ***payments*** are used directly by the farmers to increase productivity and invested in a range of projects such as crop financing and protection, distribution of fertilizer and improving logistics and infrastructure.

The other half is used by local communities to support education, healthcare, women empowerment initiatives and to complement other community projects undertaken through Cocoa Promise, Cargill’s own sustainability ***program***.

Pieter Reichert, managing director of Cargill’s cocoa and chocolate business in Ghana, said: “Our approach offers [farmers] a wide range of support services to help them improve the quality and quantity of cocoa beans produced.​

“Such services, delivered under our Cocoa Promise, include one-on-one ***agricultural*** coaching, farmer field schools, high quality seedlings and resources for pest and disease management.​

“It is our hope that our electronic ***payment*** model, which has proven to benefit the farmers, will help encourage the government to fulfill its vision of a cashless economy,” ​He added.

Accelerating sustainable cocoa volume growth

Cargill Cocoa Promise has previously set five sustainable targets, including reaching 100% cocoa beans traceability and zero deforestation in supply chain by 2030, as well as zero incidents of child labor by 2025.

However, the cocoa industry leaders such as Tim McCoy, VP of member and external affairs at World Cocoa Foundation (WCF), recently shared their doubt on the practicality of these goals.

“We must recognize that targets such as the Sustainable Development Goal for the eradication of child labor by 2025 may be difficult to achieve,”​ despite the collective industry efforts of establishing monitoring and remediation systems in the supply chain, he said during the Child Labor Cocoa Coordinating Group annual meeting in Côte d’Ivoire last month.

According to Cocoa Promise’s latest [*progress report*](https://www.cargill.com/doc/1432099950824/cargill-cocoa-promise-report-2016-17.pdf)​​ that covered the 2016/2017 period, only 4% of cocoa beans Cargill sourced in Ghana were sustainable – much lower compared to some of the other major cocoa producing nations, including Côte d’Ivoire (59%) and Cameroon (32%).

But Cargill said the current stance in sustainable cocoa volume growth in Ghana is expected to accelerate soon especially with the support from local government.

Joseph Boahen Aidoo, CEO of Ghana Cocoa Board (COCOBOD), previously said his team was pleased to work with Cargill in launching LBC, and he sees this model as the “future of cocoa sourcing.”​

Cutting unproductive cocoa trees

In addition to collaborating with Cargill, COCOBOD also started implementing its own plans to improve the productivity of cocoa farmers.

In late last month, COCOBOD and Côte d’Ivoire launched a joint action to fight Cocoa Swollen Shoot Virus Disease (CSSVD) by cutting 40% of Ghana’s unproductive cocoa tree stock and replanting with new seedlings using modern technology introduced by government.

Aidoo noted the decision made by Ghana’s previous administration to let farmers cut and treat their diseased farms did very little in tackling CSSVD. Therefore, a more extensive method is needed.

“When the [cocoa] trees are infected and you plant the young seedlings under it, the entire plantation would be affected,”​ he said.

“Since the disease is spread by air when all farmers cut their trees and one refuses to, all the others would be affected since the air will spread it across the other farms.”​

Aidoo stressed that the western and eastern parts of Ghana are so far the most endemic regions, accounting for around 68% infection rate, adding the staff of COCOBOD will start treating 10,000 hectares of infected farms out of the total 680,000 hectares.

**Load-Date:** September 6, 2018

**End of Document**



[***Argentina Set To Significantly Narrow Fiscal Deficit***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TVB-NC81-JD33-J15H-00000-00&context=1516831)

Business Monitor Online

November 27, 2018 Tuesday

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**Length:** 822 words

**Highlight:** We at Fitch Solutions expect that Argentina will come close to eliminating its primary fiscal deficit in 2019 in light of revenue increases and spending cuts. We have revised our forecast primary fiscal balance for 2018 to -2.2% of GDP, from -2.5% previously, and maintain our forecast for 2019 at -0.2%. We forecast an overall deficit of 4.5% and 2.4%, respectively. However, spending cuts will weigh on economic activity growth, raising risks of negative feedback effects that could cause revenues to underperform expectations.

**Body**

**Key View** We at Fitch Solutions expect that Argentina will come close to eliminating its primary fiscal deficit in 2019 in light of revenue increases and spending cuts. We have revised our primary fiscal balance forecast for 2018 to -2.2% of GDP, from -2.5% previously, and maintain our forecast for 2019 at -0.2%. We forecast an overall deficit of 4.5% and 2.4%, respectively. The primary deficit stood at 3.8% in 2017. However, spending cuts will weigh on economic activity, raising the risk of negative feedback effects that could cause revenues to underperform our expectations.

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| Adjustment Marks End Of 'Gradualismo' |
| Argentina - Fiscal Balance, % of GDP |
|  |
| *f = Fitch Solutions forecast. Source: MEF, Fitch Solutions* |

**President Mauricio Macri's 2019 budget will nearly eliminate the government's primary fiscal deficit in 2019**. On November 15, the Senate passed the budget, which envisions a balanced primary fiscal account, on a 46-24 vote, following its passage by the Chamber of Deputies at the end of October. Passage through the opposition-controlled Senate was achieved through buy-in from provincial governors. Because provincial governments rely on revenue ***transfers*** from the federal government, governors typically negotiate fiscal affairs with the executive and subsequently direct their senators' votes. **The fiscal adjustment will come from a range of revenue increases and expenditure cuts**. While the administration had initially attempted to rely on expenditure cuts ( *see 'Argentina Will Exceed Fiscal Targets Through 2019', August 28*), a renewed sell-off of the peso in early September led the government to include revenue increases in its expanded set of policy adjustments. The adjustment ***programme*** was crucial to securing an expansion of the government's USD57.1bn financing arrangement with the IMF ( *see 'Quick View: Argentina's Expanded IMF Agreement Will Support Stability', September 27*).The bulk of revenue gains will come from the re-imposition of export taxes on ***agricultural*** goods and an increase in wealth taxes. These measures are critical because they represent a relatively credible way to bolster intakes at relatively minimal economic and political cost. We do not expect the reimposition of export taxes on ***agricultural*** goods to undermine production, as the ***agricultural*** sector has been a major beneficiary of the peso's depreciation. Moreover, these measures eased the passage of the budget because the burden of these taxes falls most heavily on constituencies who overwhelmingly support Macri. Elevated inflation, which we forecast will average 40.4% y-o-y in 2019, will also offer a natural boost to revenues.

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| Expenditure Growth Set To Slow |
| Argentina - Fiscal Accounts, ARS, % y-o-y (6mma) |
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| *Source: MEF, Fitch Solutions* |

Expenditure growth will also be curtailed significantly. The biggest cuts will come from capital expenditures, as the government has postponed several large public works projects. Additionally, it will cut energy subsidies and ***transfer*** responsibility for transport subsidies to the provinces, while cutting overall ***transfers*** to provinces and state-owned enterprises. In October, Macri secured an agreement with the vast majority of provincial governors not to raise spending in 2019. **Our forecasts assume a modest amount of slippage in 2019**. We believe that as the government shows significant progress in closing its deficit over the next two-to-three quarters, investor sentiment will improve and market pressures will likely begin to ease. With a general election approaching in October 2019, the government will likely seek to limit potentially painful cuts to social spending, resulting in the persistence of a modest shortfall. **Public debt will likely stabilise over the next two *years***. With the government ramping up debt ***payments***, we forecast the central administration's gross debt load to fall from USD324.3bn in Q218 to USD319.2bn at end-2018 and USD317.8bn at end-2019. That said, given the peso's depreciation we do not expect the debt load will fall significantly as a percentage of GDP over the coming quarters, forecasting the debt load at 66.4% of GDP at end-2018 and 67.8% of GDP at end-2019.

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| Debt Growth Tapering Off Amid Consolidation |
| Argentina - Central Government Debt |
|  |
| *f = Fitch Solutions forecast. Source: MEF, Fitch Solutions* |

**The fiscal adjustment risks creating negative feedback on economic activity that could lead revenues to underperform**. We expect economic activity will remain in contraction through much of 2019, as the government's spending cuts undermine investment and consumption ( *see 'Argentina's Adjustment Will Prompt Sustained Recession', November 8*). If the government's adjustment ***programme*** fails to restore market confidence in the country, then the recession could be deeper and more prolonged than we currently forecast. In turn, revenue growth would slow, the government could miss its deficit target and debt would likely rise.

**Load-Date:** November 28, 2018

**End of Document**



[***Federal Register: Supplemental Agricultural Disaster Assistance Programs, Payment Limitation and Payment Eligibility Pages 49459 - 49472 [FR DOC # 2018-21257]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TDF-MWK1-JDG9-Y25T-00000-00&context=1516831)

Impact News Service

October 2, 2018 Tuesday

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**Length:** 15221 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Commodity Credit Corporation 7 CFR Parts 1400 and 1416 RIN 0560-AH69 Supplemental ***Agricultural*** Disaster Assistance ***Programs***, ***Payment*** Limitation and ***Payment*** Eligibility AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA. ACTION: Final rule. ----------------------------------------------------------------------- SUMMARY: This rule implements changes to the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish ***Program*** (ELAP); Livestock Indemnity ***Program*** (LIP); and Tree Assistance ***Program*** (TAP) as required by the Bipartisan Budget Act of 2018 (BBA), including changes to the ***payment*** limitations, the funding limitation for ELAP, and losses for injured livestock sold at a reduced price under LIP. An application period for ELAP, LIP, TAP and the Livestock Forage Disaster ***Program*** (LFP) is included in this rule to allow additional time for producers to apply. Additionally, FSA implements changes to TAP for 2017 losses to pecan trees as specified in the Consolidated Appropriations Act, 2018. This rule also includes several clarifying amendments and corrections to the regulations for the ***programs***.

DATES: Effective date: October 2, 2018. Deadline for reopened 2017 and 2018 application period: December 1, 2018. FOR FURTHER INFORMATION CONTACT: Lisa Berry; (202) 720-7641. Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice). SUPPLEMENTARY INFORMATION: Background The disaster assistance ***programs***, ***payment*** limits, and ***payment*** eligibility provisions in this rule are Commodity Credit Corporation (CCC) ***programs*** and provisions; the Farm Service Agency (FSA) administers the ***programs*** and provisions for CCC. Specific requirements for supplemental ***agricultural*** disaster assistance ***programs*** will be implemented as authorized by BBA (Pub. L. 115-123), which amended the ***Agricultural*** Act of 2014 (the 2014 Farm Bill, Pub. L. 113-79), and the Consolidated Appropriations Act, 2018 (Pub. L. 115-141), which expanded TAP eligibility for producers with losses to pecan trees during the 2017 ***calendar*** ***year***. FSA is also making minor clarifying amendments and corrections to the regulations in 7 CFR part 1416. ***Payment*** Limitation and Extension of Application Periods The ***payment*** limitations for supplemental disaster ***programs*** are being changed in Sec. Sec. 1400.1 and 1416.6, retroactive to the 2017 ***program*** ***year***. Under the previous ***payment*** limitation established by the 2014 Farm Bill, the total amount of ***payments*** that a person or legal entity could receive under LIP, LFP, and ELAP combined, directly or indirectly, could not exceed $125,000 in any ***program*** ***year***, and TAP had a separate ***payment*** limit of $125,000 per person or legal entity for any crop ***year***. As authorized by BBA, and effective with the 2017 ***program*** ***year***, the ***payment*** limits for LIP and TAP are being removed. Effective with the 2017 ***program*** ***year***, for LFP and ELAP, the total amount of ***payments*** that a person or legal entity can receive, directly or indirectly, in any crop ***year*** cannot exceed $125,000 under the two ***programs*** combined. Producers may have chosen not to apply for losses under ELAP, LFP, LIP, and TAP for which the 2017 or 2018 deadlines have passed if they had reached the ***payment*** limitation under the previous rules. Therefore, the 2017 application periods for these four ***programs*** are being re- opened until December 3, 2018, and the 2018 sign-up periods are extended for any 2018 applications that would have had a sign-up deadline earlier than December 3, 2018. Producers who previously submitted an application and received a decision that was administratively final are not eligible to reapply during the extended sign-up period, unless their application was denied only because their application or notice of loss, if required, was filed after the applicable deadline. Additionally, producers that previously applied for disaster assistance and earned ***payments*** up to the applicable ***payment*** limit under the prior ***payment*** limit for such disaster ***program*** or ***programs*** will automatically have their applications reprocessed to determine if they are now entitled to receive additional ***payments*** under the new ***payment*** limit, in which case the additional ***payment*** will automatically issue to such producer. Benefits for lower threshold mortality pecan tree losses for eligible orchardists and nursery tree growers under TAP, made available under the 2018 Consolidated Appropriations Act provisions are limited to losses on acres that were previously reported on the FSA-578, Report of Acreage. Nothing in this rule or the 2018 Consolidated Appropriations Act opened an opportunity for persons and legal entities to now file 2017 pecan acreage reports. Persons or legal entities are not required to re-apply for assistance under the ***programs*** in order for new ***payment*** limitation provisions to take effect. FSA will apply the new ***payment*** limitation and ***payment*** eligibility provisions to all applications for each ***program*** ***year*** regardless of time of filing. Supplemental Disaster General Provisions This rule removes duplicative provisions at Sec. 1416.6(d) that provided that producers who are eligible to receive benefits for the same loss under both 7 CFR part 1416 and any other ***program***, including indemnities under the Federal Crop Insurance Act (7 U.S.C 1501-1524), could not receive benefits under both and had to elect whether to receive benefits under part 1416 or the other ***program***. There is, however, a similar statutory provision that remains in effect under the Noninsured Crop Disaster Assistance ***Program*** (NAP) that precludes a producer from receiving assistance under NAP and assistance for the same loss under any other ***program***--including TAP, LIP, ELAP and LFP-- administered by the Secretary, subject to certain exceptions. In addition, the rule clarifies provisions at Sec. 1416.6(c) that allows the Deputy Secretary to take action to avoid the duplication of benefits between these ***programs*** and other ***programs*** to prevent [[Page 49460]] a person or legal entity from being paid the total value of their loss. The provisions related to direct attribution and adjust gross income limitations are removed from Sec. 1416.6(f) because those provisions are also included in 7 CFR part 1400, which applies to the ***programs*** in part 1416; therefore, repeating those provisions in Sec. 1416.6 is unnecessary. Application of direct attribution and adjusted gross income limits provisions at 7 CFR 1400 are not affected by this rule. The provisions related to eligible producers in Sec. 1416.3; misrepresentation in Sec. 1416.7; offsets, assignments, and debt settlement in Sec. 1416.9; and miscellaneous provisions in Sec. 1416.14 are clarified. These changes are only intended to make the regulation easier to understand and do not affect the administration of the ***programs***. The provisions related to deceased individuals and dissolved entities in Sec. 1416.13 are removed, and the provisions in 7 CFR part 707, ***Payments*** Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent, will apply to the ***programs*** in part 1416 to be consistent with how such ***payments*** are treated under other FSA ***programs***. Specific Provisions for ELAP Effective with the 2017 ***program*** ***year***, BBA removes the annual funding limitation for ELAP of $20 million per ***program*** ***year***; this rule implements this change and removes provisions regarding availability of funds and application of a national ***payment*** factor in Sec. 1416.108 However, as all ***program*** ***payments*** are generally subject to availability of funds under Federal law, Sec. 1416.2 has been amended to specify the actions FSA will take in response to changes in availability or incidence. In Sec. 1416.102, the definitions of ``adult beefalo bull,'' ``adult beefalo cow,'' ``adult buffalo or bison bull,'' ``adult buffalo or bison cow,'' ``blizzard,'' ``grazing animals,'' ``newborn livestock,'' ``non-adult beefalo,'' and ``non-adult buffalo or bison,'' are being added. This rule clarifies the definitions of ``commercial use,'' ``eligible adverse weather,'' ``livestock owner,'' ``non-adult beef cattle,'' and ``normal grazing period''. This rule removes the definitions of ``adult buffalo and beefalo bull,'' ``adult buffalo and beefalo cow'', and ``non-adult buffalo or beefalo'' because this rule is changing the categories and different terms are being used. This rule removes the definition of ``Deputy Administrator or DAFP'' because these definitions are now included at 7 CFR part 718, which applies to the ***programs*** in part 1416. In Sec. 1416.103, this rule clarifies that eligible losses must have been apparent during a ***program*** ***year*** to be an eligible loss in that ***year***. In Sec. 1416.104(a)(1), FSA specifies that to be eligible for losses relating to livestock grazing and feed, transporting water, or gathering livestock to treat for cattle fever, the livestock must be grazing animals, which is consistent with the intent of the ***program***. Poultry and swine are removed from the listing of livestock types eligible for grazing and feed losses and losses from transporting water in Sec. 1416.104(b) to be consistent with the amended requirement that eligible livestock be grazing animals. Poultry, and swine were added to the livestock types ineligible for those categories of assistance in Sec. 1416.104(c). The provisions related to eligible death losses are amended to correct livestock types for beefalo and bison in Sec. 1416.104(d) and Sec. 1416.104(b), add a separate livestock type for ``chickens, pullets, and Cornish hens (small size),'' and clarify two previously included poultry categories at Sec. 1416.104(d) and (e). The rule clarifies when eligible livestock must have died and adds a separate provision for newborn livestock, which must have died within 7 ***calendar*** days from the ending date of the eligible loss condition. It also clarifies the requirement that livestock be produced or maintained for commercial use or for a commercial operation for producing livestock products, consistent with similar changes in Sec. 1416.104(a)(1) and (c)(9). This rule also clarifies provisions regarding length of time of ownership in Sec. 1416.105 and updates applicable ***program*** ***years*** and the deadline in Sec. Sec. 1416.106 and 1416.107, including dates for the extension of the 2017 application period. Specific Provisions for LFP This rule amends the definitions in Sec. 1416.202 for beefalo, buffalo, and bison to be consistent with changes made to ELAP and LIP provisions and makes technical corrections to the definition of ``Federal Agency.'' This rule clarifies the LFP provisions related to contract growers by removing provisions from the definition of covered livestock and adding a separate definition of ``contract grower'' in Sec. 1416.202 and clarifying provisions in Sec. 1416.203(a). This rule clarifies the provisions related to grazing animals by adding a definition of ``grazing animals'' and amending the definition of ``normal grazing period'' to clarify that it is the time period when grazing animals receive daily nutrients and satisfy net energy requirements without supplemental feed. In Sec. 1416.204, the section is amended to specify that covered livestock must be grazing animals and do not include poultry and swine, consistent with similar changes under ELAP. The requirement that eligible livestock must have been produced or maintained for commercial use or for producing livestock products in Sec. 1416.204 is clarified, and categories for beefalo, bison, and buffalo are amended to be consistent with the clarifications for ELAP and LIP. This rule updates the applicable ***program*** ***years*** and deadlines in Sec. 1416.206 and makes technical corrections in Sec. 1416.202 to the definition of ``Federal Agency.'' It also makes changes in Sec. 1416.205, to specify that eligible grazing losses include losses occurring on land planted to annual planted ryegrass and annual planted crabgrass, and in Sec. 1416.207 to correct paragraph references and numbering. Specific Provisions for LIP In addition to removing the ***payment*** limitation for LIP benefits, this rule adds provisions in Sec. 1416.301 to provide LIP benefits for the sale of animals at a reduced price if the sale occurred due to injury that was a direct result of an eligible adverse weather event or due to an attack by an animal reintroduced into the wild by the Federal Government or protected by Federal law, including wolves or avian predators, as authorized by the BBA. It also amends provisions throughout part 1416 to include conforming language regarding the sale of animals at a reduced price where applicable, and amends Sec. 1416.306(e) to specify that ***payments*** for sales of injured animals at a reduced price will be calculated by multiplying the national ***payment*** rate for each livestock category by the number of eligible livestock sold at a reduced price, minus the amount the producer received for the livestock. If the reduced sale price of the livestock is greater than the national ***payment*** rate, the producer will not receive a ***payment*** for that livestock. The definitions in Sec. 1416.302 for beefalo, buffalo, and bison are amended to be consistent with changes made to ELAP and LFP. This rule clarifies the existing definitions of ``Commercial use,'' ``Eligible adverse weather event,'' and ``Winter storm.'' To clarify existing regulations, this rule adds definitions of ``acceptable animal husbandry,'' ``blizzard,'' ``eligible attack,'' ``eligible disease,'' ``eligible loss condition,'' ``livestock unit,'' and ``newborn livestock.'' This rule removes [[Page 49461]] definitions of ``CCC,'' ``Deputy Administrator,'' ``Secretary,'' ``State committee, State office, county committee, or county office'' and ``United States'' because these definitions are included at 7 CFR part 718, which applies to the ***programs*** in part 1416. In Sec. 1416.303, the eligibility of livestock owners and contract growers is clarified. This rule adds the provision at Sec. 1416.303(c) to specify that a livestock owner's interest must be summarized by livestock unit for a county when determining ***payment*** eligibility. It amends Sec. 1416.304 to clarify that ostriches are included as eligible livestock. It amends the time period in Sec. 1416.304(c) during which an animal must have died due to an eligible adverse weather event or attack, from 60 days to 30 days, and within 7 days for newborn animals. The provisions in Sec. 1416.304 regarding commercial use and categories for beefalo, buffalo, bison, and poultry are clarified. This rules updates applicable ***program*** ***years*** and notice of loss and application requirements in Sec. 1416.305, including changes to extend the 2017 application period, to change the deadline for filing an application for ***payment*** and livestock inventory reports to 60 ***calendar*** days after the end of the ***calendar*** ***year***, and to allow a licensed veterinarian to provide a certification of livestock deaths due to disease in cases where reliable beginning inventory data is available and the veterinarian personally observed the animals, had knowledge of how the deaths due to disease were caused or exacerbated by an eligible adverse weather event and were not avoidable or preventable by using good animal husbandry and management practices. Specific Provisions for TAP In additional to removing the TAP ***payment*** limitation of $125,000 per ***year***, BBA required increases in the number of acres for which a producer can receive ***payment*** from 500 to 1,000 acres per ***year***, which is being implemented by this final rule in Sec. 1416.406(j). Growers who previously received TAP benefits for the 2017 or 2018 ***program*** ***years*** that were limited to only 500 acres may receive benefits on additional acres, up to 1,000 acres. If those growers already filed applications for their entire stand and received an administrative decision for that stand, there is no need to re-file those applications because the extent of eligibility decisions were all based on the entire stand. To the extent that ***payments*** were limited merely because the acreage limitation was reached, the previously limited ***payments*** will automatically issue without any action required by the participant. The provisions of the Consolidated Appropriations Act of 2018 are being implemented to expand coverage under TAP by providing $15 million for 2017 pecan tree losses for growers who suffered a pecan stand mortality loss that exceeds 7.5 percent (rather than a mortality loss that exceeds 15 percent) due to an eligible natural disaster. The provisions only apply to producers with mortality losses that exceed 7.5 percent. Pecan growers who had more than a 15 percent mortality loss are already eligible under regular 2017 TAP provisions and are not affected by this change. Accordingly, this rule only changes the eligibility provisions to allow pecan growers with lower stand mortality losses that exceed 7.5 percent to be eligible; it does not change the ***payment*** calculation for TAP benefits. If TAP applications for these losses exceed the available $15 million, FSA may factor ***payments***. Pecan growers who suffered eligible 2017 losses can apply for these benefits through December 3, 2018. TAP provisions are revised to make technical corrections and clarifications in the rule. The 2014 Farm Bill established a qualifying loss threshold of greater than 15 percent mortality; a person or legal entity who is otherwise eligible for ***payment*** qualifies for TAP only if the tree, bush, or vine mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality). Growers may receive ***payment*** for damage losses in excess of 15 percent (adjusted for normal damage) only if they meet the qualifying loss threshold of 15 percent mortality. This rule amends Sec. Sec. 1416.403, 1416.404, and 1416.406 to correct and clarify the qualifying mortality loss threshold. Growers who only sustain damage, and no mortality in excess of the requisite 15 percent loss threshold for mortality, adjusted for normal mortality, are not eligible. In Sec. 1416.406(d)(3), this rule also clarifies that if someone other than the orchardist or nursery tree grower bore or incurred costs or expenses, or the orchardist or nursery tree grower was reimbursed for expenses under another ***program***, those expenses are not eligible for cost share under TAP. In addition, the terms of ``individual stand'' and ``eligible stand'' have been changed to ``stand'' in Sec. Sec. 1416.403 and 1416.406(h). This change was made for clarity and consistency to use the defined term ``stand'' because ``individual stand'' and ``eligible stand'' are not defined in the rule. The definitions in Sec. Sec. 1416.402 of ``county committee,'' ``Deputy Administrator,'' and ``State committee'' are being removed because those definitions are included in 7 CFR part 718, which applies to the ***programs*** in part 1416. Notice and Comment In general, the Administrative Procedure Act (5 U.S.C 553) requires that a notice of proposed rulemaking be published in the Federal Register and interested persons be given an opportunity to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation, except when the rule involves a matter relating to public property, loans, grants, benefits, or contracts. The regulations to implement the provisions of Title I and the administration of Title I of the 2014 Farm Bill are exempt from the notice and comment provisions of 5 U.S.C 553 and the Paperwork Reduction Act (44 U.S.C chapter 35), as specified in section 1601(c)(2) of the 2014 Farm Bill. Executive Orders 12866, 13563, 13771 and 13777 Executive Order 12866, ``Regulatory Planning and Review,'' and Executive Order 13563, ``Improving Regulation and Regulatory Review,'' direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasized the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 13777, ``Enforcing the Regulatory Reform Agenda,'' established a federal policy to alleviate unnecessary regulatory burdens on the American people. The Office of Management and Budget (OMB) designated this rule as not significant under Executive Order 12866, ``Regulatory Planning and Review,'' and therefore, OMB has not reviewed this rule. Executive Order 13771, ``Reducing Regulation and Controlling Regulatory Costs,'' requires that in order to manage the private costs required to comply with Federal regulations that for every new significant or economically significant regulation issued, the new costs must be offset by the elimination of at least two prior regulations. This rule does not rise to the level required [[Page 49462]] to comply with Executive Order 13771; however, the cost savings will be accounted for through the USDA regulatory reform initiative and will be banked to be used as needed for future offsetting costs. Regulatory Flexibility Act The Regulatory Flexibility Act (5 U.S.C 601-612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to the notice and comment rulemaking requirements under the Administrative Procedure Act (5 U.S.C 553). This rule is not subject to the Regulatory Flexibility Act since FSA is not required to publish a notice of proposed rulemaking for this rule. Environmental Review The environmental impacts of this rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C 4321-4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508), and FSA regulations for compliance with NEPA (7 CFR part 799). This rule change is a technical amendment and is solely administrative in nature. Accordingly, this action is covered by the Categorical Exclusion, found at 7 CFR part 799.31(b)(3)(i), that applies to the issuance of minor technical corrections to regulations. No Extraordinary Circumstances (Sec. 799.33) exist. As such, the implementation of the technical corrections provided in this rule does not constitute a major Federal action that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, FSA will not prepare an environmental assessment or environmental impact statement for this regulatory action and this rule serves as documentation of the programmatic environmental compliance decision for this federal action. Executive Order 12372 Executive Order 12372, ``Intergovernmental Review of Federal ***Programs***,'' requires consultation with State and local officials. The objectives of the Executive Order are to foster an intergovernmental partnership and a strengthened Federalism, by relying on State and local processes for State and local government coordination and review of proposed Federal Financial assistance and direct Federal development. For reasons specified in the Notice to 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), the ***programs*** and activities within this rule are excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials. Executive Order 12988 This rule has been reviewed under Executive Order 12988, ``Civil Justice Reform.'' This rule would not preempt State and or local laws, and regulations, or policies unless they present an irreconcilable conflict with this rule. Before any judicial action may be brought concerning the provisions of this rule, appeal provisions of 7 CFR parts 11 and 780 must be exhausted. This rule would not preempt a State or tribal government law, including any State or tribal government liability law. Executive Order 13132 This rule has been reviewed under Executive Order 13132, ``Federalism.'' The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required. Executive Order 13175 This rule has been reviewed for compliance with Executive Order 13175, ``Consultation and Coordination with Indian Tribal Governments.'' The Executive Order 13175 requires to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal government and Indian tribes. FSA has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that required tribal consultation under Executive Order 13175. If a tribe requests consultation, FSA will work with USDA Office of Tribal Relations to ensure meaningful consultation is provided. The Unfunded Mandates Reform Act of 1995 Title II of the Unfunded Mandate Reform Act of 1995 (UMRA, Pub. L. 104-4) requires Federal agencies to assess the effects of their regulatory actions on State, local, or Tribal governments or the private sector. Agencies generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 ***year*** for State, local, or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates as defined by Title II of UMRA for State, local, or Tribal governments or for the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA. SBREFA This rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121, SBREFA). Therefore, FSA is not required to delay the effective date for 60 days from the date of publication to allow for Congressional review and this rule is effective on the date of publication in the Federal Register. Therefore, the rule is effective when published in the Federal Register, as discussed above. Federal Assistance ***Programs*** The titles and numbers of the Federal assistance ***programs*** as found in the Catalog of Federal Domestic Assistance to which this rule applies are: 10.088--Livestock Indemnity ***Program*** 10.089--Livestock Forage Disaster ***Program*** 10.091--Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish ***Program*** 10.092--Tree Assistance ***Program*** Paperwork Reduction Act The regulations in this rule are exempt from the requirements of the Paperwork Reduction Act (44 U.S.C chapter 35), as specified in section 1601(c) of the 2014 Farm Bill, which provides that these regulations be promulgated and administered without regard to the Paperwork Reduction Act. E-Government Act Compliance FSA is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes. [[Page 49463]] List of Subjects 7 CFR Part 1400 ***Agriculture***, Loan ***programs***--***agriculture***, Conservation, Price support ***programs***. 7 CFR Part 1416 Dairy products, Indemnity ***payments***, Pesticide and pests, Reporting and recordkeeping requirements. For the reasons discussed above, CCC amends 7 CFR parts 1400 and 1416 as follows: PART 1400--***PAYMENT*** LIMITATION AND ***PAYMENT*** ELIGIBILITY 0 1. The authority citation for part 1400 is revised to read as follows: Authority: 7 U.S.C 1308, 1308-1, 1308-2, 1308-3, 1308-3a, 1308- 4, and 1308-5; and Title I, Pub. L. 115-123. 0 2. In Sec. 1400.1, revise the table in paragraph (f) to read as follow: Sec. 1400.1 Applicability. (f) \* \* \* ------------------------------------------------------------------------ Limitation per person or legal entity, ***Payment*** or benefit per crop, ***program***, or fiscal ***year*** ------------------------------------------------------------------------ (1) Price Loss Coverage, ***Agricultural*** Risk Coverage, $125,000 Loan Deficiency ***Program***, and Marketing Loan Gain ***payments*** (other than Peanuts).......................... (2) Price Loss Coverage, ***Agricultural*** Risk Coverage, 125,000 Loan Deficiency ***Program***, and Marketing Loan Gain ***payments*** for Peanuts................................... (3) Transition Assistance for Producers of Upland Cotton 40,000 \1\.................................................... (4) CRP annual rental ***payments*** \2\...................... 50,000 (5) NAP ***payments***........................................ 125,000 (6) TAP \3\............................................. 125,000 (7) LIP, LFP, and ELAP \4\.............................. 125,000 (8) CSP \5\............................................. 200,000 (9) EQIP \6\............................................ 450,000 (10) AMA ***program*** \7\.................................... 50,000 ------------------------------------------------------------------------ \1\ Transition Assistance for Producers of Upland Cotton is only available in the 2014 and 2015 ***program*** ***years***. \2\ CRP contracts approved prior to October 1, 2008 may exceed the limitation, subject to ***payment*** limitation rules in effect on the date of contract approval. \3\ A separate limitation applies to TAP ***payments*** for 2011 through 2016 ***program*** ***years***. Lastly, there is no ***program*** ***payment*** limitation for either LIP or TAP in 2017 and subsequent ***program*** ***years***. \4\ Total ***payments*** received through LIP, LFP, and ELAP may not exceed $125,000 for each of the 2011 through 2016 ***program*** ***years***. For the 2017 and subsequent ***program*** ***years***, LIP is no longer included in the combined ***program*** limitation. \5\ The $200,000 limit is the total limit under all CSP contracts entered into subsequent to enactment of the 2014 Farm Bill during fiscal ***years*** 2014 through 2018. \6\ The $450,000 limit is the total limit under all EQIP contracts entered into subsequent to enactment of the 2014 Farm Bill during fiscal ***years*** 2014 through 2018. \7\ The $50,000 limit is the total limit that a participant may receive under the AMA ***program*** in any fiscal ***year***. PART 1416--EMERGENCY ***AGRICULTURAL*** DISASTER ASSISTANCE ***PROGRAMS*** 0 3. The authority citation for part 1416 is revised to read as follows: Authority: Title I, Pub. L. 113-79, 128 Stat. 649; Title I, Pub. L. 115-123; Title VII, Pub. L. 115-141. Subpart A--General Provisions for Supplemental ***Agricultural*** Disaster Assistance ***Programs*** 0 4. In Sec. 1416.2, add paragraph (f) to read as follows: Sec. 1416.2 Administration of ELAP, LFP, LIP, and TAP. \* \* \* \* \* (f) ***Payments*** issued under this part are subject to the availability of funds under Federal law. Within whatever funding limitation that may exist under law, the only funds that will be considered available to pay eligible losses will be that amount approved by the Secretary. If funds are limited, for a particular ***program*** ***year*** ***payments*** may be delayed until the time for applying for the ***payment*** for that ***program*** ***year*** has passed. In the event that, within the limits of the funding made available by the Secretary, approval of eligible applications would result in expenditures in excess of the amount available, FSA will prorate the available funds by a national factor to reduce the total expected ***payments*** to the amount made available by the Secretary. FSA will make ***payments*** based on the factor for the national rate determined by FSA. FSA will prorate the ***payments*** in such manner as it determines necessary and appropriate and reasonable. Applications for ***payment*** that are unpaid or prorated for a ***program*** ***year*** for any reason will not be carried forward for ***payment*** under other funds for later ***years*** or otherwise, but will be considered, as to any unpaid amount, void and nonpayable. 0 5. In Sec. 1416.3, revise paragraphs (a), (b) introductory text, and (b)(4) to read as follows: Sec. 1416.3 Eligible Producer. (a) Eligible producer means, in addition to other requirements as may apply, an individual or legal entity who is an owner, operator, landlord, tenant, or sharecropper, who shares in the risk of producing a crop or livestock and who is entitled to share in the crop or livestock available for marketing from the farm, or would have shared had the crop or livestock been produced, and who also meets the requirements of paragraph (b) of this section. The term eligible producer can include a livestock owner or contract grower who satisfies other requirements of this part. (b) An individual or legal entity seeking to be an eligible producer under this part must submit a farm operating plan in accordance with part 1400 of this chapter and be a: \* \* \* \* \* (4) Corporation, limited liability company, or other organizational structure organized under State law. 0 6. Revise Sec. 1416.6 to read as follows: Sec. 1416.6 ***Payment*** eligibility and limitation. (a) For 2017 and subsequent ***program*** ***years***, a person or legal entity, excluding a joint venture or general partnership, as determined in part 1400 of this chapter, [[Page 49464]] must not receive ELAP and LFP ***payments*** combined, directly or indirectly, in excess of $125,000 per ***program*** ***year***. (b) The Deputy Administrator may take such actions as needed to avoid a duplication of benefits under the ***programs*** provided for in this part, or duplication of benefits received in other ***programs***, and may impose such cross-***program*** ***payment*** limitations as may be consistent with the intent of this part in order to help prevent a person or legal entity being paid more than the total value of their loss. (c) For losses incurred beginning on October 1, 2011, and for the purposes of administering LIP, LFP, ELAP, and TAP, the average adjusted gross income (AGI) limitation provisions in part 1400 of this chapter relating to limits on ***payments*** for persons or legal entities, excluding joint ventures and general partnerships, apply under this subpart and will apply to each applicant for ELAP, LFP, LIP, and TAP. Specifically, a person or legal entity with an average AGI that exceeds $900,000 will not be eligible to receive benefits under this part. (d) The direct attribution provisions in part 1400 of this chapter apply to ELAP, LFP, LIP, and TAP. 0 7. Revise Sec. 1416.7 to read as follows: Sec. 1416.7 Misrepresentation. (a) A person or legal entity who is determined to have deliberately misrepresented any fact affecting a ***program*** determination made in accordance with this part, or any other part that is applicable to this part, to receive benefits for which that person or legal entity would not otherwise be entitled, is ineligible for ***program*** ***payments*** under this part and must refund all such ***payments*** received, plus interest as determined in accordance with part 1403 of this chapter. The person or legal entity is ineligible and will be denied ***program*** benefits under this part for the immediately subsequent period of at least 2 crop ***years***, and up to 5 crop ***years***. Interest will run from the date of the original disbursement by CCC. (b) For each ***year*** of ineligibility determined according to paragraph (a) of this section, a person or legal entity will refund to CCC all ***program*** ***payments***, in accordance with Sec. 1416.11, received by such person or legal entity with respect to all applications under this part, as may be applicable, if the person or legal entity is determined to have knowingly misrepresented any fact affecting a ***program*** determination. Sec. 1416.9 [Amended] 0 8. Amend Sec. 1416.9 as follows: 0 a. In paragraph (a), remove the words ``to any participant'', and 0 b. In paragraph (b), remove the words ``Any participant entitled to any ***payment***'' and add the words ``A participant'' in their place, and add the words ``under this part'' immediately before the words ``in accordance''. 0 9. Revise Sec. 1416.13 to read as follows: Sec. 1416.13 Deceased individuals or dissolved entities. (a) The provisions of part 707 of this chapter apply to the ***programs*** of this part. (b) [Reserved]. Sec. 1416.14 [Amended] 0 10. In Sec. 1416.14, in paragraph (a), remove ``to receive benefits'' and add ``of ***payment*** eligibility'' in its place, and remove ``from receiving benefits'' and add the word ``from receiving ***payments***'' in its place. Subpart B--Emergency Assistance for Livestock, Honeybees, and Farm- Raised Fish ***Program*** 0 11. Amend Sec. 1416.102 as follows: 0 a. Remove the definitions of ``Adult buffalo and beefalo bull'' and ``Adult buffalo and beefalo cow''; 0 b. Add definitions for ``Adult beefalo bull'', ``Adult beefalo cow'', ``Adult buffalo or bison bull'', ``Adult buffalo or bison cow'', and ``Blizzard'' in alphabetical order; 0 c. In the definition of ``Commercial use'', remove ``by the eligible producer''; 0 d. Remove the definition of ``Deputy Administrator or DAFP''; 0 e. In the definition of ``eligible adverse weather'', remove '' extreme or'' and add ``extreme and'' in its place; 0 f. Add a definition for ``Grazing animals'' in alphabetical order; 0 g. Revise the definition of ``Livestock owner''; 0 h. Add a definition for ``Newborn livestock'' in alphabetical order; 0 i. In the definition of ``Non-adult beef cattle'', remove ``at the time they died'' and add ``on or before the beginning date of the eligible adverse weather or eligible loss condition that caused death'' in its place; 0 j. Remove the definition of ``Non-adult buffalo or beefalo''; 0 k. Add definitions for ``Non-adult beefalo'' and ``Non-adult buffalo or bison'' in alphabetical order; 0 l. In the definition of ``Non-adult dairy cattle'', remove ``at the time they died'' and add ``on or before the beginning date of the eligible adverse weather or eligible loss condition that caused death'' in its place; and 0 m. Revise the definition of ``Normal grazing period''. The revisions and additions read as follows: Sec. 1416.102 Definitions. \* \* \* \* \* Adult beefalo bull means a male hybrid of beef and bison that was used for breeding purposes and was at least 2 ***years*** old before the beginning date of the eligible adverse weather or eligible loss condition. Adult beefalo cow means a female hybrid of beef and bison that had delivered one or more offspring before the beginning date of the eligible adverse weather or eligible loss condition. A first-time bred beefalo heifer is also considered an adult beefalo cow if it was pregnant by the beginning date of the eligible adverse weather or eligible loss condition. Adult buffalo or bison bull means a male animal of those breeds that was used for breeding purposes and was at least 2 ***years*** old before the beginning date of the eligible adverse weather or eligible loss condition. Adult buffalo or bison cow means a female animal of those breeds that had delivered one or more offspring before the beginning date of the eligible adverse weather or eligible loss condition. A first-time bred buffalo or bison heifer is also considered an adult buffalo or bison cow if it was pregnant by the beginning date of the eligible adverse weather or eligible loss condition. \* \* \* \* \* Blizzard means, as defined by the National Weather Service, a storm which contains large amounts of snow or blowing snow with winds in excess of 35 miles per hour and visibility of less than one-fourth of a mile for an extended period of time. \* \* \* \* \* Grazing animals mean those species of livestock that, from a nutritional and physiological perspective, satisfy more than 50 percent of their net energy requirement through the consumption of growing forage grasses and legumes. Species of livestock for which more than 50 percent of their net energy requirements are not recommended to be met from consumption of forage grasses and legumes, such as poultry and swine, are excluded regardless of whether those species are grazing or are present on grazing land or pastureland. \* \* \* \* \* Livestock owner means one having legal ownership of the livestock for which benefits are being requested on the day of the eligible adverse weather or eligible loss condition. \* \* \* \* \* [[Page 49465]] Newborn livestock means livestock that are within 10 ***calendar*** days of the date of birth. \* \* \* \* \* Non-adult beefalo means a hybrid of beef and bison that does not meet the definition of adult beefalo cow or bull. Non-adult beefalo are further delineated by weight categories of either less than 400 pounds or 400 pounds or more on or before the beginning date of the eligible adverse weather or eligible loss condition that caused death. For a loss other than death, means an animal of those breeds that is less than 2 ***years*** old that weighed 500 pounds or more on or before the beginning date of the eligible adverse weather or eligible loss condition. Non-adult buffalo or bison means an animal of those breeds that does not meet the definition of adult buffalo or adult bison cow or bull. Non-adult buffalo or bison are further delineated by weight categories of either less than 400 pounds or 400 pounds or more on or before the beginning date of the eligible adverse weather or eligible loss condition that caused death. For a loss other than death, means an animal of those breeds that is less than 2 ***years*** old that weighed 500 pounds or more on or before the beginning date of the eligible adverse weather or eligible loss condition. \* \* \* \* \* Normal grazing period means, as determined by FSA, with respect to a specific type of grazing land or pastureland in the county, the period during the ***calendar*** ***year*** when grazing animals receive daily nutrients and satisfy net energy requirements without supplemental feed. \* \* \* \* \* 0 12. In Sec. 1416.103, revise paragraphs (a) and (c) to read as follows: Sec. 1416.103 Eligible losses, adverse weather, and other loss conditions. (a) An eligible loss covered under this subpart is a loss that an eligible producer, livestock owner, or contract grower of livestock, or eligible producer of honeybees or farm-raised fish incurs due to an eligible adverse weather or eligible loss condition, as determined by the Deputy Administrator. \* \* \* \* \* (c) To be an eligible loss in a ***program*** ***year***, the loss must have been apparent to the person or legal entity providing the notice and to FSA in the ***program*** ***year*** for which ***payment*** is being requested. \* \* \* \* \* 0 13. In Sec. 1416.104, revise paragraphs (a) through (f) to read as follows: Sec. 1416.104 Eligible livestock, honeybees, and farm-raised fish. (a) To be considered eligible livestock for livestock grazing and feed, losses resulting from transporting water, and gathering livestock to treat for cattle tick fever, livestock must meet all the following conditions: (1) Be grazing animals such as alpacas, adult or non-adult dairy cattle, adult or non-adult beef cattle, adult or non-adult beefalo, adult or non-adult buffalo or bison, deer, elk, emus, equine, goats, llamas, reindeer, or sheep; (2) Except for livestock losses resulting from gathering livestock to treat cattle tick fever, be livestock that would normally have been grazing the eligible grazing land or pastureland during the normal grazing period for the specific type of grazing land or pastureland for the county where the eligible adverse weather or eligible loss condition occurred; (3) Be livestock that is owned, cash-leased, purchased, under contract for purchase, or been raised by a contract grower or an eligible livestock owner, for not less than 60 days before the beginning date of the eligible adverse weather or eligible loss condition; (4) Be livestock produced or maintained for commercial use or be livestock that is produced or maintained for producing livestock products for commercial use, such as milk from dairy, as part of the contract grower's or livestock owner's farming operation on the beginning date of the eligible adverse weather or eligible loss condition; (5) Be livestock that was not in a feedlot, on the beginning date of the eligible adverse weather or eligible loss condition, as a part of the normal business operation of the producer, as determined by the Deputy Administrator. (b) The eligible livestock types for grazing and feed losses, losses resulting from transporting water, and gathering livestock to treat for cattle tick fever, are: (1) Adult beef cows or bulls, (2) Adult beefalo cows or bulls, (3) Adult buffalo or bison cows or bulls, (4) Adult dairy cows or bulls, (5) Alpacas, (6) Deer, (7) Elk, (8) Emus, (9) Equine, (10) Goats, (11) Llamas, (12) Non-adult beef cattle, (13) Non-adult beefalo, (14) Non-adult buffalo or bison, (15) Non-adult dairy cattle, (16) Reindeer, and (17) Sheep. (c) Ineligible livestock for grazing and feed losses, and losses resulting from transporting water, include, but are not limited to: (1) Livestock that were or would have been in a feedlot, on the beginning date of the eligible adverse weather or eligible loss condition, as a part of the normal business operation of the producer, as determined by FSA; (2) Animals that are not grazing animals; (3) Yaks; (4) Ostriches; (5) Poultry; (6) Swine; (7) All beef and dairy cattle, and buffalo or bison and beefalo that weighed less than 500 pounds on the beginning date of the eligible adverse weather or eligible loss condition; (8) Any wild free roaming livestock, including horses and deer; and (9) Livestock that are not produced for commercial use or those that are not produced or maintained in a commercial operation for livestock products, such as milk from dairy, including, but not limited to, livestock produced or maintained exclusively for recreational purposes, such as: (i) Roping, (ii) Hunting, (iii) Show, (iv) Pleasure, (v) Use as pets, or (vi) Consumption by owner. (d) For death losses, the livestock must meet all of the following conditions: (1) Be alpacas, adult or non-adult dairy cattle, beef cattle, beefalo, buffalo or bison, deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep, or swine, and meet all the conditions in paragraph (f) of this section. (2) Be one of the following categories of animals for which calculations of eligibility for ***payments*** will be calculated separately for each producer with respect to each category: (i) Adult beef bulls; (ii) Adult beef cows; (iii) Adult beefalo bulls; (iv) Adult beefalo cows; (v) Adult buffalo or bison bulls; (vi) Adult buffalo or bison cows; (vii) Adult dairy bulls; (viii) Adult dairy cows; (ix) Alpacas; (x) Chickens, broilers, pullets (regular size); (xi) Chickens, chicks; (xii) Chickens, layers; (xiii) Chickens, pullets or Cornish hens (small size); (xiv) Deer; [[Page 49466]] (xv) Ducks; (xvi) Ducks, ducklings; (xvii) Elk; (xviii) Emus; (xix) Equine; (xx) Geese, goose; (xi) Geese, gosling; (xii) Goats, bucks; (xxiii) Goats, nannies; (xxiv) Goats, kids; (xxv) Llamas; (xxvi) Non-adult beef cattle; (xxvii) Non-adult beefalo; (xxviii) Non-adult buffalo or bison; (xxix) Non-adult dairy cattle; (xxx) Reindeer; (xxxi) Sheep, ewes; (xxxii) Sheep, lambs; (xxxiii) Sheep, rams; (xxxiv) Swine, feeder pigs under 50 pounds; (xxxv) Swine, sows, boars, barrows, gilts 50 to 150 pounds; (xxxvi) Swine, sows, boars, barrows, gilts over 150 pounds; (xxxvii) Turkeys, poults; and (xxxviii) Turkeys, toms, fryers, and roasters. (e) Under ELAP, ``contract growers'' only includes producers of livestock, other than feedlots, whose income is dependent on the survival of the livestock and any of the following: Actual weight gain of the livestock, number of offspring produced from the livestock, or quantity of products (eggs, milk, etc.) produced from the livestock. For death losses for contract growers to be eligible, the livestock must meet all of the following conditions: (1) Be poultry or swine and meet all the conditions in paragraph (f) of this section. (2) Be one of the following categories of animals for which calculations of eligibility for ***payments*** will be calculated separately for each contract grower with respect to each category: (i) Chickens, broilers, pullets (regular size); (ii) Chickens, layers; (iii) Chickens, pullets or Cornish hens (small size); (iv) Geese, goose; (v) Swine, boars, sows; (vi) Swine, feeder pigs; (vii) Swine, lightweight barrows, gilts; (viii) Swine, sows, boars, barrows, gilts; and (ix) Turkeys, toms, fryers, and roasters. (f) For livestock death losses in the 2017 and subsequent ***program*** ***years***, livestock must meet all of the following conditions: (1) They must have died: (i) On or after the beginning date of the eligible loss condition; and (ii) Within 30 ***calendar*** days from the ending date of the eligible loss condition, or for newborn livestock within 7 ***calendar*** days from the ending date of the eligible loss condition; and (iii) As a direct result of an eligible loss condition. (2) Been produced for commercial use or maintained in a commercial operation for producing livestock products, such as milk from dairy or eggs from poultry, on the day of the eligible adverse weather or eligible loss condition that caused the livestock to die; and (3) Before dying, not have been produced or maintained for reasons other than commercial use as part of a farming operation, such non- eligible uses being understood to include, but not be limited to, any uses of wild free roaming animals or use of the animals for recreational purposes, such as pleasure, hunting, roping, pets, or for show. \* \* \* \* \* Sec. 1416.105 [Amended] 0 14. In Sec. 1416.105, in paragraphs (a)(1) and (b)(1), remove the words ``during the 60 days prior to'' and add the words ``for not less than 60 days before'' in their places. Sec. 1416.106 [Amended] 0 15. Amend Sec. 1416.106 as follows: 0 a. In paragraph (b) introductory text, remove the first sentence, and remove ``2015'' and add ``2017'' in its place; 0 b. In paragraph (e), remove ``2015'' and add ``2017'' in its place; 0 c. Remove paragraph (f); and 0 d. Redesignate paragraph (g) as paragraph (f). 0 16. Revise Sec. 1416.107 to read as follows: Sec. 1416.107 Notice of loss and application period. (a) Notices of loss and applications for ***payment*** that had been filed under the regulations in effect at the time of filing and which had been issued an administrative decision for either a 2017 or 2018 ***program*** ***year*** loss are not eligible for consideration under paragraphs (b) and (c) of this section, unless the decision was based only on failure to submit the notice of loss or application for ***payment*** by the prior applicable deadline. (b) In addition to submitting an application for ***payment*** at the appropriate time, the participant that suffered eligible livestock, honeybee, or farm-raised fish losses that create or could create a claim for benefits must: (1) For losses in the 2017 and subsequent ***program*** ***years***, provide a notice of loss to FSA by the later of 30 ***calendar*** days of when the loss of livestock is first apparent or December 3, 2018; (2) Submit the notice of loss required in paragraph (b) of this section to the administrative FSA county office, unless additional options are otherwise provided for by the Deputy Administrator. (c) In addition to the notices of loss required in paragraph (b) of this section, a participant must also submit a completed application for ***payment*** by the later of November 1 following the ***program*** ***year*** for which benefits are being requested or December 3, 2018. Sec. 1416.108 [Removed and Reserved] 0 17. Remove and reserve Sec. 1416.108 Subpart C--Livestock Forage Disaster ***Program*** 0 18. Amend Sec. 1416.202 as follows: 0 a. Remove the definitions of ``Adult buffalo and beefalo bull'' and ``Adult buffalo and beefalo cow''; 0 b. Add definitions for ``Adult beefalo bull'', ``Adult beefalo cow'', ``Adult buffalo or bison bull'', ``Adult buffalo or bison cow'', and ``Contract grower'' in alphabetical order; 0 c. In the definition of ``Covered livestock'', remove the words and punctuation ``for ``contract growers'' '' from the third sentence and remove the last sentence; 0 d. In the definition of ``Federal Agency'', add a comma after ``U.S Department of the Interior (DOI)'' and remove the acronym ``DOI'' before the words ``Bureau of Land Management''; 0 e. Add a definition for ``Grazing animals'' in alphabetical order; 0 f. Remove the definition of ``Non-adult buffalo or beefalo''; 0 g. Add definitions for ``Non-adult beefalo'' and ``Non-adult buffalo or bison'' in alphabetical order; and 0 h. Revise the definition of ``Normal grazing period''. The additions and revision read as follows: Sec. 1416.202 Definitions. \* \* \* \* \* Adult beefalo bull means a male hybrid of beef and bison that was used for breeding purposes and was at least 2 ***years*** old before the beginning date of the qualifying drought or fire. Adult beefalo cow means a female hybrid of beef and bison that had delivered one or more offspring before the beginning date of the qualifying drought or fire. A first-time bred beefalo heifer is also considered an adult beefalo cow if it was pregnant by the beginning date of the qualifying drought or fire. [[Page 49467]] Adult buffalo or bison bull means a male animal of those breeds that was used for breeding purposes and was at least 2 ***years*** old before the beginning date of the qualifying drought or fire. Adult buffalo or bison cow means a female animal of those breeds that had delivered one or more offspring before the beginning date of the qualifying drought or fire. A first-time bred buffalo or bison heifer is also considered an adult buffalo or bison cow if it was pregnant by the beginning date of the qualifying drought or fire. \* \* \* \* \* Contract grower means a person or legal entity, other than a feedlot, that was engaged in a farming operation not as an owner of covered livestock but in a business whose income is dependent on the survival of the livestock and either the actual weight gain of the livestock or number of offspring produced from the livestock. \* \* \* \* \* Grazing animals mean those species of livestock that, from a nutritional and physiological perspective, satisfy more than 50 percent of their net energy requirement through the consumption of growing forage grasses and legumes. Species of livestock for which more than 50 percent of their net energy requirements are not recommended to be met from consumption of forage grasses and legumes, such as poultry and swine, are excluded regardless of whether those species are present on grazing land or pastureland. \* \* \* \* \* Non-adult beefalo means a hybrid of beef and bison that weighed 500 pounds or more on or before the beginning date of the qualifying drought or fire, but does not meet the definition of adult beefalo cow or bull. Non-adult buffalo or bison means an animal of those breeds that weighed 500 pounds or more on or before the beginning date of beginning date of the qualifying drought or fire, but does not meet the definition of adult buffalo or bison cow or bull. \* \* \* \* \* Normal grazing period means, as determined by FSA, with respect to a specific type of grazing land or pastureland in the county, the period during the ***calendar*** ***year*** when grazing animals receive daily nutrients and satisfy net energy requirements without supplemental feed. \* \* \* \* \* 0 19. In Sec. 1416.203, revise the section heading and paragraph (a) introductory text to read as follows: Sec. 1416.203 Eligibility. (a) In addition to meeting all other requirements, to be eligible for benefits under this subpart, an individual or legal entity with an eligible producer interest in grazing land acreage who is either an owner or contract grower of grazing animals, must: \* \* \* \* \* 0 20. In Sec. 1416.204, revise paragraphs (a)(1), (a)(4), (b), and (c)(2) through (6) and add paragraphs (c)(7) through (9) to read as follows: Sec. 1416.204 Covered livestock. (a) \* \* \* (1) Be grazing animals such as adult or non-adult beef cattle, adult or non-adult beefalo, adult or non-adult buffalo or bison, adult or non-adult dairy cattle, alpacas, deer, elk, emus, equine, goats, llamas, reindeer, or sheep; \* \* \* \* \* (4) Been livestock produced or maintained for commercial use or be livestock that is produced and maintained for producing livestock products for commercial use, such as milk from dairy, as part of the contract grower's or livestock owner's farming operation on the beginning date of the qualifying drought or fire; \* \* \* \* \* (b) The covered livestock categories are: (1) Adult beef cows or bulls, (2) Adult beefalo cows or bulls, (3) Adult buffalo or bison cows or bulls, (3) Adult dairy cows or bulls, (4) Alpacas, (5) Deer, (6) Elk, (7) Emu, (8) Equine, (9) Goats, (10) Llamas, (11) Non-adult beef cattle, (12) Non-adult beefalo, (13) Non-adult buffalo or bison, (14) Non-adult dairy cattle, (15) Reindeer, and (16) Sheep. (c) \* \* \* (2) Animals that are not grazing animals; (3) Yaks; (4) Ostriches; (5) Poultry; (6) Swine; (7) All beef and dairy cattle, beefalo, buffalo and bison that weighed less than 500 pounds on the beginning date of the qualifying drought or fire; (8) Any wild free roaming livestock, including horses and deer; and (9) Livestock produced or maintained for reasons other than commercial use as part of a farming operation, including, but not limited to, livestock produced or maintained for recreational purposes, such as: (i) Roping, (ii) Hunting, (iii) Show, (iv) Pleasure, (v) Use as pets, or (vi) Consumption by owner. Sec. 1416.205 [Amended] 0 21. In the first Sec. 1416.205, entitled ``Eligible grazing losses,'' in paragraph (a)(2), remove ``sorghum or small grains,'' and add '' sorghum, small grains, annual planted ryegrass, or annual planted crabgrass,'' in their place. Sec. 1416.205 [Redesignated as Sec. 1416.206] 0 22. Redesignate the second Sec. 1416.205, entitled ``Application for ***payment***'' as Sec. 1416.206 0 23. Amend newly redesignated Sec. 1416.206 as follows: 0 a. Redesignate paragraphs (a), (b), and (c) as (b), (c), and (d), respectively; 0 b. Add new paragraph (a); 0 c. Revise newly redesignated paragraphs (b)(1) and (2); 0 d. In newly redesignated paragraph (c)(5)(ii)(B), add the word ``and'' at the end; 0 e. Remove newly redesignated paragraph (c)(5)(iii); and 0 f. Redesignate paragraph (c)(5)(iv) as (c)(5)(iii) and remove ``***calendar***'' and add ``***program***'' in its place. The addition and revisions read as follows: Sec. 1416.206 Application for ***payment***. (a) A completed application for ***payment*** that had been filed under the regulations that were in effect at the actual time of the filing of that application and which had been issued an administrative decision for either a 2017 or 2018 ***program*** ***year*** loss is not eligible for consideration under paragraph (b) of this section, unless the decision was based only on failure to submit the application for ***payment*** by the prior applicable deadline. (b) \* \* \* (1) For the 2017 ***program*** ***year***, must submit a completed application for ***payment*** and required supporting documentation as specified in this part, including some supporting documentation such as an acreage report that may have been required at an earlier date as determined by FSA, to the administrative FSA county office by December 3, 2018; or (2) For the 2018 and subsequent ***program*** ***years***, must submit a completed application for ***payment*** and required [[Page 49468]] supporting documentation, including some supporting documentation such as an acreage report that may have been required at an earlier date, to the administrative FSA county office no later than 30 ***calendar*** days after the end of the ***calendar*** ***year*** in which the grazing loss occurred. \* \* \* \* \* Sec. 1416.207 [Amended] 0 24. Amend Sec. 1416.207 as follows: 0 a. In paragraph (a), remove the reference to ``paragraphs (e) or (f)'' and add the reference to ``paragraphs (f) or (h)'' in its place; 0 b. In paragraph (f) introductory text, remove the reference to ``paragraph (g)'' and add the reference to ``paragraph (h)'' in its place; 0 c. In paragraph (f)(1), remove the reference ``paragraph (h)'' and add the reference ``paragraph (i)'' in its place; 0 d. In paragraph (f)(2), remove the reference ``paragraph (j)'' and add the reference ``paragraph (l)'' in its place; 0 e. In paragraph (i)(2), remove ``referred to in paragraph (h) of this section as'' and add ``of'' in its place, and remove ``under paragraph (h)'' and add ``under paragraph (j)'' in its place; 0 f. In paragraph (i)(3), remove the reference ``paragraph (i)'' and add the reference ``paragraph (k)'' in its place; 0 g. In paragraph (l)(3), remove the reference ``paragraph (i)'' and add the reference ``paragraph (k)'' in its place; 0 h. In paragraph (m)(1) introductory text, remove the words and punctuation ``, subject to paragraph (l)(2) of this section''; and 0 i. In paragraph (m)(3), remove the reference ``Sec. 1416.208(i)'' and add ``paragraph (i) of this section'' in its place. Subpart D--Livestock Indemnity ***Program*** 0 25. Revise Sec. 1416.301 to read as follows: Sec. 1416.301 Applicability. (a) This subpart establishes the terms and conditions under which the Livestock Indemnity ***Program*** (LIP) is administered under Title I of the 2014 Farm Bill (Pub. L. 113-79), as amended by the Bipartisan Budget Act of 2018 (Pub. L. 115-123). (b) Eligible livestock owners and contract growers will be compensated in accordance with Sec. 1416.306 for eligible livestock deaths in excess of normal mortality, or livestock owners will be compensated for sales of injured livestock for a reduced price, if either the death or injury that results in sale at a reduced price occurred as a direct result of an eligible cause of loss. The eligible cause of loss is one, as determined by FSA, that directly results in the death of livestock or injury and sale of livestock at a reduced price, despite the livestock owner's or contract grower's performance of expected and normal preventative or corrective measures and acceptable animal husbandry practices. 0 26. Amend Sec. 1416.302 as follows: 0 a. Add a definition for ``Acceptable animal husbandry'' in alphabetical order, 0 b. In the definition of ``Adult beef bull'', remove the words ``before it died''; 0 c. In the definition of ``Adult beef cow'', remove the words ``before dying'' and in the last sentence, after the word ``died'', add the words ``or was sold at a reduced price''; 0 d. Remove the definitions of ``Adult buffalo and beefalo bull'' and ``Adult buffalo and beefalo cow''; 0 e. Add definitions for ``Adult beefalo bull'', ``Adult beefalo cow''; ``Adult buffalo or bison bull''; and ``Adult buffalo or bison cow'' in alphabetical order; 0 f. In the definition of ``Adult dairy bull'', remove the words ``before it died''; 0 g. In the definition of ``Adult dairy cow'', remove the words ``before dying'' and in the last sentence, after the word ``died'', add the words ``or was injured and sold at a reduced price''; 0 h. Add a definition for ``Blizzard'' in alphabetical order; 0 i. Remove the definition of ``CCC''; 0 j. In the definition of ``Commercial use'', remove the words ``by the eligible producer''; 0 k. Remove the definition of ``Deputy Administrator or DAFP''; 0 l. Revise the definition of ``Eligible adverse weather event''; 0 m. Add definitions for ``Eligible attack'', ``Eligible disease'', and ``Eligible loss condition'' in alphabetical order; 0 n. In the definition of ``Livestock owner'', add the words ``or were sold at a reduced sale price'' at the end; 0 n. Add definitions for ``Livestock unit'' and ``Newborn livestock'' in alphabetical order; 0 o. In the definition of ``Non-adult beef cattle'', add the words ``or were sold at a reduced price'' at the end; 0 o. Remove the definition of ``Non-adult buffalo or beefalo''; 0 p. Add definitions for ``Non-adult beefalo'' and ``Non-adult buffalo or bison'' in alphabetical order; 0 q. In the definition of ``Non-adult dairy cattle'', add the words ``or were sold at a reduced price'' at the end; 0 r. Remove the definitions of ``Secretary'' and ``State committee, State office, county committee, or county office''; 0 s. Add a definition for ``State office or county office'' in alphabetical order; 0 t. Remove the definition of ``United States''; and 0 u. Revise the definition of ``Winter storm''. The additions and revisions read as follows: Sec. 1416.302 Definitions. \* \* \* \* \* Acceptable animal husbandry means animals raised and cared for to produce offspring, meat, fiber, milk, eggs, or other products. Includes day-to-day care and selective breeding and raising of livestock. The practices are those that are generally recognized by the commercial livestock industry. \* \* \* \* \* Adult beefalo bull means a male hybrid of beef and bison that was at least 2 ***years*** old and used for breeding purposes. Adult beefalo cow means a female hybrid of beef and bison that had delivered one or more offspring before dying or being injured and sold at a reduced price. A first-time bred beefalo heifer is also considered an adult beefalo cow if it is pregnant at the time it died or was sold at a reduced price. Adult buffalo or bison bull means a male animal of those breeds that was at least 2 ***years*** old and used for breeding purposes. Adult buffalo or bison cow means a female animal of those breeds that had delivered one or more offspring before it died or was injured and sold at a reduced price. A first-time bred buffalo or bison heifer is also considered an adult buffalo or bison cow if it was pregnant at the time it died or was sold at a reduced price. \* \* \* \* \* Blizzard means, as defined by the National Weather Service, a storm which contains large amounts of snow or blowing snow with winds in excess of 35 miles per hour and visibility of less than one-fourth of a mile for an extended period of time. \* \* \* \* \* Eligible adverse weather event means extreme and abnormal damaging weather in the ***calendar*** ***year*** for which benefits are being requested that is not expected to occur during the loss period for which it occurred, which directly results in eligible livestock death losses in excess of normal mortality or injury and sale of livestock at a reduced price. Eligible adverse weather events include, [[Page 49469]] but are not limited to, as determined by the Deputy Administrator or designee, earthquake; hail; lightning; tornado; tropical storm; typhoon; vog if directly related to a volcanic eruption; winter storm if the winter storm meets the definition provided in this section; hurricanes; floods; blizzards; wildfires; extreme heat; extreme cold; and straight-line wind. Drought is not an eligible adverse weather event except when associated with anthrax, a condition that occurs because of drought and results in the death of eligible livestock. Eligible attack means an attack by animals reintroduced into the wild by the Federal government or protected by Federal law, including wolves and avian predators, that directly results in the death of eligible livestock in excess of normal mortality or injury and sale of eligible livestock at reduced price. Eligible livestock owners or contract growers are responsible for showing to FSA's satisfaction that eligible attacks are substantiated according to Sec. 1416.305 in order to be considered eligible for ***payment***. Eligible disease means a disease that, as determined by the Deputy Administrator, is exacerbated by an eligible adverse weather event that directly results in the death of eligible livestock in excess of normal mortality, including, but not limited to anthrax, cyanobacteria, and larkspur poisoning. Eligible diseases are not an eligible cause of loss for benefits based on injury and sales of eligible livestock at reduced price. Eligible loss condition means any of the following that occur in the ***calendar*** ***year*** for which benefits are requested: Eligible adverse weather event, eligible attack, and eligible disease. Eligible disease is not an eligible loss condition for injured livestock. \* \* \* \* \* Livestock unit means all eligible livestock in the physical location county where the livestock losses occurred for the ***program*** ***year***: (1) In which a person or legal entity has 100 percent share interest; or (2) Which is owned individually by more than one person or legal entity on a shared basis. \* \* \* \* \* Newborn livestock means livestock that are within 10 ***calendar*** days of date of birth. \* \* \* \* \* Non-adult beefalo means a hybrid of beef and bison that does not meet the definition of adult beefalo cow or bull. Non-adult beefalo are further delineated by weight categories of either less than 400 pounds or 400 pounds or more at the time they died or were sold at a reduced price. Non-adult buffalo or bison means an animal of those breeds that does not meet the definition of adult buffalo or bison cow or bull. Non-adult buffalo or bison are further delineated by weight categories of either less than 400 pounds or 400 pounds or more at the time they died or were sold at a reduced price. \* \* \* \* \* State office or county office means the respective FSA office. \* \* \* \* \* Winter storm means, for an eligible adverse weather event, an event that so severe as to directly cause injury to livestock and lasts in duration for at least 3 consecutive days and includes a combination of high winds, freezing rain or sleet, heavy snowfall, and extremely cold temperatures. For a determination of winter storm, the wind, precipitation, and extremely cold temperatures must occur with the 3- day period, with wind and extremely cold temperatures occurring in each of the 3 days. 0 27. In Sec. 1416.303, revise paragraphs (a)(1) and (b) and add paragraphs (c) and (d) to read as follows: Sec. 1416.303 Eligible owners and contract growers. (a) \* \* \* (1) Livestock owner for benefits with respect to the death of an animal or sale of an injured animal at a reduced price under this subpart, the applicant must have had legal ownership of the eligible livestock on the day the livestock died or was injured and sold at a reduced price and under conditions in which no contract grower could have been eligible for benefits with respect to the animal. Eligible types of animal categories for which losses can be calculated for an owner are specified in Sec. 1416.304(a). \* \* \* \* \* (b) A livestock owner or contract grower seeking ***payment*** must be an eligible producer as defined in subpart A of this part and other applicable USDA regulations. (c) All of an eligible livestock owner's or contract grower's interest in livestock in a physical location county must be taken into account and summarized by livestock unit when determining the extent of ***payment*** eligibility. (d) Livestock owners are eligible for benefits for injured animals sold at reduced price only when those animals are not in a contract grower's inventory for which a contract grower seeks benefits for death losses. Contract growers are not eligible for benefits for injured animals sold at a reduced price. 0 28. Revise Sec. 1416.304 to read as follows: Sec. 1416.304 Eligible livestock. (a) To be considered eligible livestock for livestock owners, the kind of livestock must be alpacas, adult or non-adult dairy cattle, beef cattle, beefalo, bison, buffalo, elk, emus, equine, llamas, sheep, goats, swine, poultry, deer, ostriches, or reindeer and meet all the conditions in paragraph (c) of this section. (b) To be considered eligible livestock for contract growers, the kind of livestock must be poultry or swine and meet all the conditions in paragraph (c) of this section. (c) To be considered eligible livestock for the purpose of generating ***payments*** under this subpart, livestock must have: (1) Died as a direct result of an eligible loss condition: (i) With the eligible loss condition occurring in the ***program*** ***year*** for which benefits are sought; (ii) No later than 30 ***calendar*** days for livestock, or 7 ***calendar*** days for newborn livestock, from the ending date of the eligible adverse weather event or the date of the attack by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators; or (2) Been injured and sold at a reduced price as a direct result of an eligible adverse weather event or attack by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators: (i) On or after January 1, 2017; (ii) No later than 30 ***calendar*** days for livestock, or 7 ***calendar*** days for newborn livestock, from the ending date of the eligible adverse weather event or the date of the attack by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators; (3) Been maintained for commercial use for livestock sale or for the production of livestock products such as milk or eggs as part of a farming operation on the day they died or until the event that resulted in their sale at a reduced price; and (4) Not be produced or maintained for reasons other than commercial use for livestock sale or for the production of livestock products such as milk or eggs. Livestock excluded from being eligible include, but are not limited to, wild free roaming animals and animals maintained for recreational purposes, such as pleasure, hunting, roping, pets, or for show. [[Page 49470]] (d) The following categories of animals owned by a livestock owner are eligible livestock and calculations of eligibility for ***payments*** will be calculated separately for each producer with respect to each category: (1) Adult beef bulls; (2) Adult beef cows; (3) Adult beefalo bulls; (4) Adult beefalo cows; (5) Adult buffalo or bison bulls; (6) Adult buffalo or bison cows; (7) Adult dairy bulls; (8) Adult dairy cows; (9) Alpacas; (10) Chickens, broilers, pullets (regular size); (11) Chickens, chicks; (12) Chickens, layers; (13) Chickens, pullets or Cornish hens (small size); (14) Deer; (15) Ducks; (16) Ducks, ducklings; (17) Elk; (18) Emus; (19) Equine; (20) Geese, goose; (21) Geese, gosling; (22) Goats, bucks; (23) Goats, nannies; (24) Goats, kids; (25) Llamas; (26) Non-adult beef cattle; (27) Non-adult beefalo; (28) Non-adult buffalo or bison; (29) Non-adult dairy cattle; (30) Reindeer; (31) Sheep, ewes; (32) Sheep, lambs; (33) Sheep, rams; (34) Swine, feeder pigs under 50 pounds; (35) Swine, sows, boars, barrows, gilts 50 to 150 pounds; (36) Swine, sows, boars, barrows, gilts over 150 pounds; (37) Turkeys, poults; (38) Turkeys, toms, fryers, and roasters; and (39) Ostriches. (e) The following categories of animals are eligible livestock for contract growers and calculations of eligibility for ***payments*** will be calculated separately for each producer with respect to each category: (1) Chickens, broilers, pullets (regular size); (2) Chickens, layers; (3) Chickens, pullets or Cornish hens (small size); (4) Geese, goose; (5) Swine, boars, sows; (6) Swine, feeder pigs; (7) Swine, lightweight barrows, gilts; (8) Swine, sows, boars, barrows, gilts; and (9) Turkeys, toms, fryers, and roasters. (f) Ineligible livestock for the purpose of generating ***payments*** under this subpart include those livestock that died due to disease that is not an eligible disease; eligible livestock suffering injury due to disease or eligible disease which are sold for reduced price; and any eligible livestock that died or were injured by anything other than an eligible cause of loss. 0 29. Amend Sec. 1416.305 as follows: 0 a. Redesignate paragraphs (a) through (e), (f) and (g), and (h) as paragraphs (b) through (f), (h) and (i), and (k), respectively; 0 b. Add new paragraph (a); 0 c. Revise newly redesignated paragraphs (b) through (f); 0 d. Add new paragraph (g); 0 e. Revise newly redesignated paragraphs (h) introductory text and (i)(1) introductory text; and 0 f. Add paragraph (j). The additions and revisions read as follows: Sec. 1416.305 Application process. (a) Notices of loss and applications for ***payment*** that had been filed under the regulations in effect at the time of filing and which had been issued an administrative decision for either a 2017 or 2018 ***program*** ***year*** loss are not eligible for consideration under paragraph (b) of this section, unless the administrative decision was based only on a failure to submit the notice of loss or application for ***payment*** by the prior applicable deadline. In that instance, the owner or contract grower must file a notice under paragraph (b) to receive a new decision. (b) A livestock owner or contract grower that suffered livestock losses must: (1) For 2017 and subsequent ***program*** ***years***, provide a notice of loss, by livestock unit, to FSA by the later of 30 ***calendar*** days of when the loss of livestock is first apparent to the livestock owner or contract grower or December 3, 2018. (2) Submit the notice of loss required in paragraph (b)(1) of this section to the FSA county office responsible for servicing the physical location county where the loss occurred. (c) In addition to the notice of loss required in paragraph (b) of this section, a participant must also submit a completed application for ***payment***, by livestock unit: (1) For losses apparent in 2017, by December 3, 2018. (2) For losses apparent in 2018 and subsequent ***years***, by no later than 60 ***calendar*** days after the end of the ***calendar*** ***year*** in which the eligible loss condition occurred. (d) A participant must provide other supporting documents required for determining eligibility as an applicant at the time the participant submits the completed application for ***payment***. Supporting documents must include: (1) Evidence of loss, (2) Current physical location of livestock in inventory, (3) Physical location of claimed livestock at the time of death or injury, (4) Inventory numbers for the livestock unit and other inventory information necessary to establish actual mortality as required by FSA, (5) A farm operating plan, if a current farm operating plan is not already on file in the FSA county office, (6) Documentation of the adverse weather event from an official weather reporting data source that is determined by FSA to be reputable and available in the public domain such as, but not limited to, NOAA, from which State and County FSA Offices can validate the adverse weather event occurred, (7) Documentation to substantiate eligible attacks obtained from a source such as, but not limited to, the following: (i) APHIS, (ii) State level Department of Natural Resources, or (iii) Other sources or documentation, such as third parties, as determined by the Deputy Administrator, and (8) If livestock are injured and sold at a reduced price. (i) Documentation of injured livestock's gross price, and (ii) Documentation to substantiate injury of livestock due to an eligible adverse weather event or eligible attack. (9) The livestock producer may supplement additional documentation to support the eligible loss condition, as determined by the Deputy Administrator. (10) In addition, contract growers must provide a copy of the grower contract. (e) For death losses or losses resulting from injured livestock sold at a reduced price, the participant must provide adequate proof that the death or injury of the eligible livestock occurred as a direct result of an eligible loss condition, as opposed to any other possible or potential cause of loss. The quantity and kind of livestock that died as a direct result of the eligible loss condition may be documented by: Purchase records; veterinarian records; bank or other loan papers; rendering-plant truck receipts; Federal Emergency Management Agency records; National Guard records; written contracts; production records; Internal Revenue Service records; property tax records; [[Page 49471]] private insurance documents; and other similar verifiable documents as determined by FSA. The quantity and kind of livestock that died or has been injured and sold at a reduced price as a direct result of an eligible attack must be substantiated by documentation of confirmed kills observed by an acceptable source as specified in paragraphs (d)(7) and (g) of this section. (f) If adequate verifiable proof of death or injury documentation is not available, the participant may provide reliable records, in conjunction with verifiable beginning and ending inventory records, as proof of death or injury. Reliable records may include contemporaneous producer records, dairy herd improvement records, brand inspection records, vaccination records, dated pictures, and other similar reliable documents as determined by FSA. (g) For 2018 and subsequent ***calendar*** ***years***, for livestock death losses due to disease, a licensed veterinarian's certification of livestock deaths may be accepted as verifiable proof of death, if reliable beginning inventory data is available, only if the veterinarian provides a written statement containing all of the following: (1) Veterinarian's personal observation of the animals and knowledge of how the deaths of the livestock were because of disease caused or exacerbated by an eligible adverse weather event; (2) Livestock deaths were not otherwise avoidable and preventable using good animal husbandry and management protocols and practices by the livestock producer; and (3) Other information required by FSA to determine the certification acceptable. (4) Information furnished by the participant and the veterinarian will be used to determine eligibility for ***program*** benefits. Furnishing the information is voluntary; however, without all required information ***program*** benefits will not be approved or provided. (h) Certification of livestock deaths or injuries by third parties may be accepted if verifiable beginning and ending inventory data is available only if proof of death records in conjunction with verifiable beginning and ending inventory records are not available and both of the following conditions are met: \* \* \* \* \* (i) \* \* \* (1) For 2017 and subsequent ***calendar*** ***years***, livestock inventory reports by livestock unit must be provided to the local county FSA office by the later of December 3, 2018 or 60 ***calendar*** days after the end of the ***calendar*** ***year*** of the eligible adverse weather event. The STC may approve a waiver of the reporting deadline if a participant has not previously received benefits under this method. \* \* \* \* \* (j) When an eligible owner claims eligible livestock were injured by an eligible loss condition and were sold for a reduced price, the owner must provide verifiable evidence of the gross sale price of the livestock. The injured livestock must be sold through an independent third party (sale barn, slaughter facility, or rendering facility). Only verifiable proof of sale with price is acceptable. The gross sale price of the livestock is the amount received for the injured livestock before any reductions, such as sale yard fees. The owner must provide verifiable evidence of livestock sold at a reduced price. Documents that may satisfy this requirement include but are not limited to, any or a combination of the following: Sales receipt from a livestock auction, sale barn, or other similar livestock sales facility; bona- fide commercial sales receipts; private insurance documents; and processing plant receipts. \* \* \* \* \* 0 30. In Sec. 1416.306, revise paragraphs (a) and (c) and add paragraph (e) to read as follows: Sec. 1416.306 ***Payment*** calculation. (a) Under this subpart, separate ***payment*** rates for eligible livestock owners and eligible livestock contract growers are specified in paragraphs (b) and (c) of this section, respectively. ***Payments*** for death losses are calculated by multiplying the national ***payment*** rate for each livestock category by the number of eligible livestock in excess of normal mortality in each category that died as a result of an eligible loss condition. Normal mortality for each livestock category will be determined by FSA on a State-by-State basis using local data sources including, but not limited to, State livestock organizations and the Cooperative Extension Service for the State. Adjustments will be applied as specified in paragraph (d) of this section. \* \* \* \* \* (c) The LIP national ***payment*** rate for eligible livestock contract growers is based on 75 percent of the average income loss sustained by the contract grower with respect to the dead livestock. The rate that applies is based on the type, class, and weight of the animal at the time of the eligible loss condition and death. \* \* \* \* \* (e) ***Payments*** to livestock owners for losses due to sale of livestock at a reduced price because of injury from an eligible loss condition are calculated by multiplying the national ***payment*** rate for each livestock category by the number of eligible livestock sold at a reduced price as a result of an eligible loss condition, minus the gross amount the eligible livestock owner received for the livestock up to the applicable national ***payment*** rate. In the event livestock sells for a reduced price that is in excess of the national ***payment*** rate, the national ***payment*** rate will be subtracted resulting in no ***payment*** for that livestock. Subpart E--Tree Assistance ***Program*** 0 31. Amend Sec. 1416.400 as follows: 0 a. In paragraph (a), add the words and punctuation ``, as amended by the Bipartisan Budget Act of 2018 (Pub. L. 115-123), and the Consolidated Appropriations Act, 2018 (Pub. L. 115-141)'' at end of the paragraph; and 0 b. Add paragraph (c). The addition reads as follows: Sec. 1416.400 Applicability. \* \* \* \* \* (c) Eligible pecan tree losses incurred in the 2017 ***calendar*** ***year*** not meeting the mortality loss threshold of paragraph (b) of this section with a tree mortality loss in excess of 7.5 percent (adjusted for normal mortality) will be compensated for eligible losses as specified in Sec. 1416.406, up to a maximum of $15,000,000. Sec. 1416.402 [Amended] 0 32. Amend Sec. 1416.402 as follows: 0 a. Remove the definitions of ``County committee'' and ``Deputy Administrator or DAFP''; 0 b. In the definitions of ``normal damage'' and ``normal mortality'', remove the word ``individual''; and 0 c. Remove the definition of ``State committee''. 0 33. Revise Sec. 1416.403 to read as follows: Sec. 1416.403 Eligible losses. (a) To qualify for any assistance under this subpart, except for assistance under Sec. 1416.400(c), the eligible orchardist or nursery tree grower must first have suffered more than a 15 percent tree, bush, or vine mortality loss on a stand (adjusted for normal mortality) as a result of natural disaster as determined by the Deputy Administrator. For assistance for losses to pecan trees [[Page 49472]] under Sec. 1416.400(c), the eligible orchardist or nursery tree grower must first have suffered a mortality loss of more than 7.5 percent (adjusted for normal mortality) on a stand as a result of natural disaster as determined by the Deputy Administrator. (b) The qualifying loss of a stand of trees, bushes, or vines specified in paragraph (a) of this section will be determined based on: (1) Each eligible disaster event, except for losses due to plant disease; (2) For plant disease, the time period, as determined by the Deputy Administrator, for which the stand is infected. (c) Mortality or damage loss not eligible for inclusion as a qualifying loss under this section or for ***payment*** under Sec. 1416.406 includes those losses where: (1) The loss or damage could have been prevented through reasonable and available measures; and (2) The trees, bushes, or vines, in the absence of a natural disaster, would normally have required rehabilitation or replanting within the 12-month period following the loss. (d) The damage or loss must be visible and obvious to the county committee representative. If the damage is no longer visible, the county committee may accept other evidence of the loss as it determines is reasonable. (e) The county committee may require information from a qualified expert, as determined by the county committee, to determine extent of loss in the case of plant disease or insect infestation. (f) The Deputy Administrator will determine the types of trees, bushes, and vines that are eligible. (g) A stand that did not suffer a qualifying mortality loss as specified in paragraph (a) of this section is not eligible for ***payment***. Sec. 1416.404 [Amended] 0 34. In Sec. 1416.404, in paragraph (a), remove ``To'' and add ``Once the requisite qualifying eligible mortality loss is determined according to Sec. 1416.403, to''. 0 35. Amend Sec. 1416.405 as follows: 0 a. Redesignate paragraphs (a) through (d) as paragraphs (b) and (e); 0 b. Add new paragraph (a); and 0 c. Revise newly redesignated paragraph (b). The addition and revision read as follows: Sec. 1416.405 Application. (a) Applications for ***payment*** that had been filed under the regulations in effect at the time of filing and which were issued an administrative decision for either a 2017 or 2018 ***program*** ***year*** loss are not eligible for consideration under paragraph (b) of this section, unless the decision was based only on failure to submit the application for ***payment*** by the prior applicable deadline, (b) To apply for TAP, a producer that suffered eligible tree, bush, or vine losses that occurred during the 2017 and subsequent ***calendar*** ***years*** must provide an application for ***payment*** and supporting documentation to FSA by the later of December 3, 2018 or within 90 ***calendar*** days of the disaster event or date when the loss of trees, bushes, or vines is apparent to the producer. \* \* \* \* \* 0 36. Amend Sec. 1416.406 as follows: 0 a. In paragraph (a) introductory text, remove ``***Payment***'' and add ``Once the loss threshold in Sec. 1416.403(a) is satisfied, ***payment***'' in its place; 0 b. In paragraph (b), remove the words ``damage or'' in both places where they appear; 0 c. Add paragraph (d)(3); 0 d. In paragraph (h), remove ``eligible'' before the word ``stand''; and 0 e. In paragraph (j), remove the number ``500'' and add the number ``1,000'' in its place. The addition reads as follows: Sec. 1416.406 ***Payment*** Calculation. \* \* \* \* \* (d) \* \* \* (3) Costs or expenses that the eligible orchardist or nursery tree grower did not actually bear or incur because someone or some other entity bore or incurred those costs or expenses, or the costs were reimbursed under another ***program***. For example, if under any other ***program*** the expenses are paid for on behalf of the eligible orchardist or nursery tree grower, those expenses are not eligible for cost share under this subpart. \* \* \* \* \* Richard Fordyce, Administrator, Farm Service Agency. Robert Stephenson, Executive Vice President, Commodity Credit Corporation. [FR Doc. 2018-21257 Filed 10-1-18; 8:45 am] BILLING CODE 3410-05-P

**Load-Date:** October 31, 2018

**End of Document**



[***Pearl River County to Elect New Committee Member MAL and LDP Policy***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TPB-WCG1-F0YC-N139-00000-00&context=1516831)

Impact News Service

November 8, 2018 Thursday

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**Length:** 530 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

The ***Agricultural*** Act of 2014 authorized 2014-2018 crop ***year*** Marketing Assistance Loans (MALs) and Loan Deficiency ***Payments*** (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral ***transferred*** to warehouse storage will retain the original loan rate, be allowed to ***transfer*** only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a ***payment*** is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan.  MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the ***payment*** limitation.

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when ***payment*** is requested.

The 2014 Farm Bill also establishes ***payment*** limitations per individual or entity not to exceed $125,000 annually on certain commodities for the following ***program*** benefits: price loss coverage ***payments***, ***agriculture*** risk coverage ***payments***, marketing loan gains (MLGs) and LDPs.  These ***payment*** limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-***year*** average AGI exceeds $900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

**Load-Date:** November 10, 2018

**End of Document**



[***Electric bikes, remote control car parks, a turbot fish farm, industrial strategy ... some of issues backlogged and awaiting ministerial nod***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TT4-6261-DYTY-C35J-00000-00&context=1516831)

Belfast Telegraph

November 23, 2018 Friday

Edition 1, National Edition

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**Section:** NEWS; Pg. 4,5

**Length:** 2045 words

**Body**

THE EXECUTIVE OFFICE Four decisions pending ? ***Programme*** for Government ? Outworkings of the report of the Inquiry into Historical Institutional Abuse ? Investment Strategy ? Legislation for ***transfers*** of functions between departments DEPARTMENT OF ***AGRICULTURE***, ENVIRONMENT & RURAL AFFAIRS 16 decisions pending ? Consideration of designation of quiet areas under Environmental Noise Regulations ? Decision to consult on proposals to introduce cost recovery for water quality monitoring at private drinking water supplies at commercial and public premises ?

Public consultation and publication of DAERA 2020 Strategic Plan incorporating 2017/18 Business Plan ? Approval for final versions of fishery management plans for Lough Neagh and Erne (including implementing legislation) ? Agreement of the final draft of DAERA's Knowledge Framework, which sets out the rationale for the department's involvement in education, knowledge and skills ? AFBI Corporate Plan 2018-2022 and AFBI Business Plan 2018-2019 ? DAERA Business Plan 2018/19 ? The introduction of a Food Processing Grant Scheme ? Reappointment to the ***Agricultural*** Wages Board ? Reappointment of three members to the Livestock and Meat Commission (LMC) ? Approval of the Livestock & Meat Commission's (LMC) 2018/19 Business Plan and 2018-2021 Strategic Plan ? Reappointments to the Council for Nature Conservation and the Countryside (CNCC) ? N? NIEA 2017/18 Business Plan ? N? NIEA 2018/19 Business Plan ? Forest Service 2017/18 Business Plan ? Forest Service 2018/19 Business Plan DEPARTMENT FOR COMMUNITIES 32 decisions pending ? Financial allocations within the Sub-Regional Stadia ***Programme*** for Soccer ? Consultation on the future Regional Infrastructure Support ***Programme*** (RISP) ? Affordable Warmth Scheme public consultation ? Agreement to make the Local Government (***Payment*** to Councillors) Regulations ? Arts and Culture Strategy ? Registered rent increase 2017/18 ? Review of monetary limits for gaming machines and associated social responsibility issues (September 2016) ? The Employment Act (NI) 2016 - Gender pay and disclosure of information ? Sex Discrimination Order 1976 Amendment Regulations (Northern Ireland) 2012 - review of insurance clauses ? Disposal of 59 ex-MoD houses at Mountview Drive and Skyline Drive, Lisburn to Clanmil Housing Association at nil value ? Approval of the departmental response on the Draft Local Government (Consequential Amendments) Regulations (NI) ? BBC Board - appointment of member for Northern Ireland ? Charities Advisory Committee - appointment of chair and member ? Charity Commission for Northern Ireland Board - appointment of deputy chief commissioner and two commissioners ? Historic Monuments Council - appointment of chair and nine members ? Libraries Northern Ireland Board - appointment of three members ? N? Northern Ireland Housing Executive Board - appointment of chair and vice-chair ? N? Northern Ireland Local Government Officers' Superannuation Committee - appointment of chair and four members ? Ulster Supported Employment Ltd Board - appointment of chair and two members ? WhoWhatWhereWhenWhy Ltd Board - appointment of trustees + 12 other decisions withheld as it relates to the formulation of government policy DEPARTMENT OF EDUCATION 10 decisions pending ? 10-***Year*** Children and Young People's Strategy ? Draft Childcare Strategy ? Public appointments in relation to education sectoral bodies ? School Development Proposals ? Education 2018/19 Financial Pressures ? Regulations under the Special Educational Needs And Disability Act (NI) 2018 (Affirmative Resolution) ? Amendment to the Pre-School Education In Schools (Admissions Criteria) Regulations (Northern Ireland) 1999 ? Education Transformation ***Programme*** ? Powers to bring the Education and Training Inspectorate into line with other jurisdictions in terms of inspections that cannot be progressed ? Strategy for Looked After Children: Improving Children's Lives DEPARTMENT FOR THE ECONOMY 28 decisions pending ? Draft Industrial Strategy ? Draft Energy Strategy ? Draft Tourism Strategy ? Superfast Broadband Strategy ? Renewable Heat Incentive Scheme Regulations ? Arm's Length Body (ALB) public appointment: Belfast Metropolitan College, two vacancies ? ALB public appointment: Construction Industry Training Board NI, two vacancies ? ALB public appointment: Consumer Council NI, two vacancies ? ALB public appointment: Health & Safety Executive for NI, one vacancy ? ALB public appointment: Invest NI, one vacancy ? ALB public appointment: Northern Ireland Screen, five vacancies ? ALB public appointment: Northern Regional College, three vacancies ? ALB public appointment: South Eastern Regional College, one vacancy ? ALB public appointment: Southern Regional College, two vacancies ? ALB public appointment: South West College, one vacancy ? ALB public appointment: St Mary's University College, one vacancy ? ALB public appointment: Stranmillis University College, one vacancy ? ALB public appointment: Tourism NI, two vacancies ? ALB potential reappointment: Belfast Metropolitan College, two reappointments ? ALB potential reappointment: Construction Industry Training Board NI, six reappointments ? ALB potential reappointment: Consumer Council NI, one reappointment ? ALB potential reappointment: Health & Safety Executive for NI, two reappointments ? ALB potential reappointment: Invest NI, three reappointments ? ALB potential reappointment: Labour Relations Agency, four reappointments ? ALB potential reappointment: Northern Ireland Screen, two reappointments ? ALB potential reappointment: South Eastern Regional College, two reappointments ? ALB potential reappointment: Stranmillis University College, eight reappointments ? ALB potential reappointment: Tourism NI, six reappointments DEPARTMENT OF FINANCE Refused to answer DEPARTMENT OF HEALTH 19 decisions pending ? Decisions on actions required to stay within budget for 2019/20 ? Adoption of draft criterion for reconfiguration of the health and social care system ? Agree policy statement on future of GP services, responding to GP-led care review ? Decision on approach to passported benefits criteria under universal credit ? Determination of financial envelope for community pharmacy ? Bamford Evaluation awaiting final Ministerial approval ? Commencement and implementation of the Mental Capacity Act (2016) and publication of MCA code of practice ? Agreement on the way forward on the introduction of the Minimum Unit Pricing for Alcohol in Northern Ireland ? Agreement on seeking Executive approval for publication of the Protect Life 2 suicide prevention strategy ? Agreement to implement proposals for alternative placement options for looked-after children ? Agreement to implement recommendations from the Review of Regional Children's Specialist Facilities ? Agreement to publish the strategy for looked-after children ? 2018/19 HSC pay award/Agenda for Change reform ? Amendments to the Pharmaceutical Regulations 1997 ? Agreement to make regulations to restrict the sale of E-Cigarettes to persons over the age of 18 ? Agreement to make regulations to ban smoking in cars when a person under the age of 18 is present ? Consideration of options on legislation to support breastfeeding in public places ? Agreement to make the Foster Placement and Fostering Agencies Regulations (Northern Ireland) ? Agreement to make the Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations (Northern Ireland) DEPARTMENT FOR INFRASTRUCTURE 30 decisions pending ? Introducing remote control parking in Northern Ireland ? Whether a new class of mobility scooter should be introduced to increase the range of medical equipment that can be carried on the scooter ? Legislation to exempt e-bikes from legislative scope in Northern Ireland ? Increasing penalties for the illegal use of a mobile phone while driving, and the review of the existing offence ? Amendments to the Taxi Licensing Regulations to better clarify the information recording requirements for Class C taxis ? Integrated Passenger Transport - approval of proposed approach involving Translink and Education Authority considering efficiency opportunities across their operations ? Accept statutory responsibility for the Reservoirs Act (NI) 2015 from the Department of ***Agriculture***, Environment and Rural Affairs ? Agree to amendments to the Drainage (NI) Order 1973 ? Approval to proceed to develop amendments to the 2011 & 1967 Transport Acts ? Approval to proceed with affirmative subordinate regulation on Transport Shared Facilities Regulations ? Approval to proceed with the Railways Infrastructure (Access Management & Licensing of Railway Undertakings) (Amendment) Regulations (NI) ? Approval to proceed to develop amendments to the Road Traffic Regulation (NI) Order 1997 ? Approval to department's role with Northern Ireland specific elements contained in EU - Port Services Regulation ? Whether an amendment should be made to current planning legislation to remove existing permitted development rights for petroleum (oil & gas) exploration ? Decision on the detail of reporting on the implementation of the Planning Act (Northern Ireland) 2011 to be set out in subordinate legislation.

? Inflationary uplift for planning fees ? Review of Strategic Planning Policy for Renewable Energy ? Review of Strategic Planning Policy for Development in the Countryside ? Planning application: 33 turbine wind farm with sub-station & grid connection at Doraville, west of Draperstown, Co Londonderry ? Planning application: Compressed air energy underground storage at Islandmagee, Co Antrim ? Planning application: 11 turbine wind farm approximately 3Km west of Swatragh accessed off the Corlacky Road, Co Londonderry ? Planning application: 16 storey office accommodation and public realm works at City Quays 3, south of Corporation Square, Belfast ? Planning application: Tourist destination resort - hotel, marina & holiday apartments at Gublusk Bay, Killadeas, Co Fermanagh ? Planning application: Closure & re-profiling of former landfill site at Woodside Road, Newbuildings, Co Londonderry ? Planning application: 4 turbine wind farm at Golandun Dolan, Killeter, Castlederg, Co Tyrone ? Planning application: Turbot fish farm at Newry Road, Kilkeel, Co Down ? Planning application: Construction of a waste ***transfer*** & recycling facility for construction and demolition wastes at Parkgate Quarry, Connor Road, Parkgate, Co Antrim ? Planning application: Landfill facility for inert construction and demolition wastes at Parkgate Quarry, Connor Road, Parkgate, Co Antrim ? A series of public appointment non-executive recruitment competitions are currently required across the department and have not proceeded in the absence of a Minister ? Approval to proceed with the Experimental Traffic Control Scheme (Taxis in Bus Lanes) 2018 DEPARTMENT OF JUSTICE 25 decisions pending ? Judicial Pensions ? Personal Injury Discount rate ? Criminal Finances Act 2017 ? Statutory Registration Scheme ? Reform of legal aid remuneration for Court of Appeal (Criminal) cases ? Reform of Civil Legal Aid remuneration ? Review of the Use of Contracting for Legal Aid ? Police Officer Pay Award for 2018/19 ? Executive Action Plan for Tackling Paramilitary Activity, Criminality and Organised Crime ? Domestic violence strategy ? Committal reform ? ***Transfer*** of Functions Order (TOFO) to ***transfer*** legal responsibility for The Appeals Service from DfC to DoJ ? N? NI Prison Service Estates ? Legislation to put the Prisoner Ombudsman on a statutory footing ? Prohibition removal ? Refusal/revocation of explosives licence/registration ? Public appointment: Northern Ireland Law Commission (NILC) ? Public appointment: NI Policing Board ? Public appointment: NI Police Fund ? Public appointment: RUC GC Foundation ? Public appointment: Police Rehabilitation and Retraining Trust ? Public appointment: Probation Board for Northern Ireland ? Public appointment: Prisoner Ombudsman ? Public appointment: Judicial Parole Commissioner ? Public appointment: Legal Aid Appeals Panel + A wide range of subordinate legislation across DoJ which cannot be made in the absence of fully functioning Assembly Above details correct as of October 2018

**Load-Date:** November 23, 2018

**End of Document**



[***FEDERAL REGISTER: Revision of Delegations of Authority and Commodity Credit Corporation Board of Directors Meeting Requirements Pages 22177 - 22190 [FR DOC # 2018-10133]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SB5-CCG1-F0YC-N0X7-00000-00&context=1516831)

Impact News Service

May 14, 2018 Monday

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**Length:** 15691 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Office of the Secretary 7 CFR Part 2 Commodity Credit Corporation 7 CFR Part 1409 RIN-0503-AA62 Revision of Delegations of Authority and Commodity Credit Corporation Board of Directors Meeting Requirements AGENCY: Office of the Secretary, USDA. ACTION: Final rule. ----------------------------------------------------------------------- SUMMARY: The Secretary of ***Agriculture*** is authorized to delegate functions, powers, and duties as the Secretary deems appropriate. This document amends the existing delegations of authority by adding and modifying certain delegations, as explained in the Supplementary Information section below. In addition, it repeals regulations governing meetings of the Commodity Credit Corporation Board of Directors. DATES: Effective May 14, 2018. FOR FURTHER INFORMATION CONTACT: Melissa McClellan, Office of the General Counsel, (202) 720-5565, [*melissa.mcclellan@ogc.usda.gov*](mailto:melissa.mcclellan@ogc.usda.gov) SUPPLEMENTARY INFORMATION: This rule makes several changes to the United States Department of ***Agriculture***'s (USDA) delegations of authority in 7 CFR part 2 by adding new delegations and modifying existing delegations.

It also repeals Part 1409, Meetings of the Board of Directors of Commodity Credit Corporation. Overview of Changes A. Trade and Foreign ***Agricultural*** Affairs This rule revises the delegations of authority to reflect the establishment of the new Under Secretary for Trade and Foreign ***Agricultural*** Affairs (TFAA) position, as authorized by Congress under the ***Agricultural*** Act of 2014 (7 U.S.C 6935). The rule also implements the realignment of the Foreign ***Agricultural*** Service (FAS) and U.S Codex Office to comprise the new TFAA mission area. See Secretary's Memorandum (SM) 1076-017 (May 11, 2017), available at [*https://www.ocio.usda.gov/document/secretarys-memorandum-1076-017*](https://www.ocio.usda.gov/document/secretarys-memorandum-1076-017), and SM 1076- 018 (Nov. 14, 2017), available at   [*https://www.ocio.usda.gov/document/secretarys-memorandum-1076-018*](https://www.ocio.usda.gov/document/secretarys-memorandum-1076-018). See also 82 FR 22802-02 (May 18, 2017); 82 FR 42781-01 (Sept. 12, 2017). This rule adds a new section of delegations by the Secretary to the Under Secretary for TFAA at Sec. 2.26 The rule further adds a new Subpart U titled ``Delegations of Authority by the Under Secretary of Trade and Foreign ***Agricultural*** Affairs.'' The rule establishes a new Sec. 2.600 with delegations to the Deputy Under Secretary for TFAA, in the event a Deputy Under Secretary is appointed. The delegations of authority to the Administrator, FAS previously located at Sec. 2.43 under Subpart F--Delegations of Authority by the Under Secretary for Farm and Foreign ***Agricultural*** Services are now located under Subpart U at Sec. 2.601 The rule further establishes a new Sec. 2.602 with delegations to the Manager, U.S Codex Office. B. Farm Production and Conservation This rule also revises the delegations to reflect the change in title of the former Under Secretary for Farm and Foreign ***Agricultural*** Services (FFAS) to the Under Secretary for Farm Production and Conservation (FPAC), as authorized by Section 772 of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141) and section 4(a) of Reorganization Plan No. 2 of 1953 (5 U.S.C App.; 7 U.S.C 2201 note). The revisions reflect the realignment of the Natural Resources Conservation Service (NRCS) from the Natural Resources and Environment (NRE) mission area to the new FPAC mission area, which also includes the Farm Service Agency (FSA) and Risk Management Agency (RMA). See SM 1076-017 (May 11, 2017); 82 FR 22802-01 (May 18, 2017). The rule accordingly reassigns the delegations of authority related to natural resources and conservation previously delegated to the Under Secretary for NRE in Sec. 2.20 to the new Under Secretary for FPAC in Sec. 2.16 The delegations of authority to the Chief, NRCS previously located at Sec. 2.61 under Subpart J--Delegations of Authority by the Under Secretary for Natural Resources and Environment and adds them at Sec. 2.43 under the retitled Subpart F--Delegations of Authority by the Under Secretary for Farm Production and Conservation. This rule also adds a new delegation to the Administrator, FSA, through the Under Secretary for FPAC, to administer funds made available to the Secretary in the Further Supplemental Appropriations for Disaster Relief Requirements Act, 2018, Public Law 115-123, for expenses related to hurricanes and wildfires occurring in ***calendar*** ***year*** 2017. Throughout Part 2, references to the former Under Secretary for Farm and Foreign ***Agricultural*** Services are updated to refer either to the Under Secretary for FPAC or to the Under Secretary for TFAA, depending upon the context. C. Rural Development This rule further revises the delegations to reflect that the Rural Development agencies receive delegations from the Secretary through the Assistant to the Secretary for Rural Development, rather than through the former position of Under Secretary for Rural Development. The rule also removes the delegations to the former position of Deputy Under Secretary of ***Agriculture***. Throughout Part 2, the titles of Under Secretary for Rural Development and Under Secretary for Rural and Economic Development are updated to read ``Assistant to the Secretary for Rural Development.'' The rule also incorporates a new delegation of authority to the Administrator of the Rural Utilities Service, through the Assistant to the Secretary for Rural Development, to issue waivers to the U.S iron and steel requirements for the construction, alteration, maintenance, or repair of a public water or wastewater system in accordance with the authority granted to the Secretary under Section 746 of Division A of the Consolidated Appropriations Act, 2018, Public Law 115-141, and any subsequent appropriations acts. [[Page 22178]] D. Organic Cost Share ***Programs*** This rule also revises the delegations of authority to ***transfer*** the authority to administer USDA's two Organic Certification Cost Share ***Programs*** to the FSA Administrator. The authority to administer the ***Agricultural*** Management Assistance Organic Certification Cost Share ***Program***, authorized under the Federal Crop Insurance Act (7 U.S.C 1524(b)(4)(C)(ii)), was previously delegated to the Under Secretary for Natural Resources and the Environment, and to the Chief, NRCS. This rule revises the delegations to ***transfer*** the authority to administer the ***program*** to the Administrator, FSA through the Under Secretary for FPAC. Similarly, the authority to administer the National Organic Certification Cost Share ***Program***, authorized under the Farm Security and Rural Investment Act of 2002, as amended by the ***Agricultural*** Act of 2014 (7 U.S.C 6523), was previously delegated to the Administrator, ***Agricultural*** Marketing Service (AMS), through the Under Secretary for Marketing and Regulatory ***Programs***. This rule revokes those delegations and ***transfers*** the responsibility for this ***program*** to the Administrator, FSA. See SM 1076-024 (Sept. 8, 2017) available at   [*https://www.ocio.usda.gov/document/secretarys-memorandum-1076-024*](https://www.ocio.usda.gov/document/secretarys-memorandum-1076-024). E. General Counsel The rule also amends the delegations of the General Counsel at Sec. 2.31 to require that settlement agreements above certain monetary thresholds be reviewed and concurred in by the Office of the General Counsel. See SM 1076-020 (Jan. 4, 2018) available at   [*https://www.ocio.usda.gov/document/secretarys-memorandum-1076-020*](https://www.ocio.usda.gov/document/secretarys-memorandum-1076-020). The rule includes a conforming revision to the general delegations of authority to supervise and direct, located at Sec. 2.7 F. Conforming Amendments In addition to the revisions outlined above, the rule updates the list of General Officers at Sec. 2.4 to include the Under Secretaries for TFAA and FPAC and the Assistant to the Secretary for RD, and removes obsolete titles. In addition, the rule updates cross-references to delegations for the former Under Secretary for FFAS and to the Administrator, FAS to reflect the new Under Secretary titles and CFR unit locations. G. Commodity Credit Corporation This rule also amends part 1409, Meeting of the Board of Directors of Commodity Credit Corporation (CCC), by removing and reserving the part. The regulations in part 1409 were issued in 1977 pursuant to the Government in the Sunshine Act, which applied to the CCC because, at that time, the CCC was an agency ``headed by a collegial body composed of two or more individual members, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, and any subdivision thereof authorized to act on behalf of the agency.'' See 5 U.S.C 552b; 42 FR 14673 (Mar. 16, 1977). Under the CCC Charter Act, the Secretary is ex officio Chairman of a seven-member Board of Directors. 15 U.S.C 714g(a). At the time part 1409 was issued, members of the CCC Board of Directors were appointed by the President, by and with the advice and consent of the Senate. After part 1409 took effect, the CCC Board was required to make its meeting open to public observation, though the rules included a process for holding closed meetings. See 7 CFR 1409.3, 1409.4, and 1409.5 During the time following the application of the open-meeting requirements, the CCC Board held meetings infrequently because of the inability, in the presence of the public, to discuss or take action on matters of a market-sensitive nature. Since 1999, the CCC Board of Directors has held only one meeting, in May 2003. See 68 FR 25317-01 (May 12, 2003). The Presidential Appointment Efficiency and Streamlining Act of 2011 amended the CCC Charter Act to remove the Senate confirmation requirement for Board members. Public Law 112-166, sec. 2(a)(3) (Aug. 10, 2012). Accordingly, because the Government in the Sunshine Act no longer applies to the CCC Board of Directors, USDA is deleting the regulations at part 1409. Classification This rule relates to internal agency management. Accordingly, pursuant to 5 U.S.C 553, notice of proposed rulemaking and opportunity for comment are not required, and this rule may be made effective less than 30 days after publication in the Federal Register. This rule also is exempt from the provisions of Executive Orders 12866 and 13771. This action is not a rule as defined by the Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C 601 et seq., or the Congressional Review Act, 5 U.S.C 801 et seq., and thus is exempt from the provisions of those acts. This rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C 3501 et seq.). List of Subjects 7 CFR Part 2 Authority delegations (Government agencies) 7 CFR Part 1409 Sunshine Act Accordingly, under the authority of 7 U.S.C 714b and as discussed in the preamble, 7 CFR parts 2 and 1409 are amended as follows: PART 2--DELEGATIONS OF AUTHORITY BY THE SECRETARY OF ***AGRICULTURE*** AND GENERAL OFFICERS OF THE DEPARTMENT 0 1. The authority citation for part 2 continues to read as follows: Authority: 7 U.S.C 6912(a)(1); 5 U.S.C 301; Reorganization Plan No. 2 of 1953, 3 CFR 1949-1953 Comp., p. 1024. 0 2. In part 2, revise all references to ``Under Secretary for Rural Development'' and ``Under Secretary for Rural Economic and Community Development'' to read ``Assistant to the Secretary for Rural Development''. Subpart A--General 0 3. Section 2.4 is revised to read as follows: Sec. 2.4 General Officers. The work of the Department is under the supervision and control of the Secretary who is assisted by the following general officers: The Deputy Secretary, the Under Secretary for Farm Production and Conservation; the Under Secretary for Food, Nutrition, and Consumer Services, the Under Secretary for Food Safety; the Under Secretary for Marketing and Regulatory ***Programs***; the Under Secretary for Natural Resources and Environment; the Under Secretary for Research, Education, and Economics; the Under Secretary for Trade and Foreign ***Agricultural*** Affairs; the Assistant Secretary for Administration; the Assistant Secretary for Civil Rights; the Assistant Secretary for Congressional Relations; the Assistant to the Secretary for Rural Development; the Chief Economist; the Chief Financial Officer; the Chief Information Officer; the General Counsel; the Inspector General; the Judicial Officer; the Director, National Appeals Division; the Director, Office of Budget and ***Program*** Analysis; the Director, Office of Communications; the Director, Office of Small and Disadvantaged Business Utilization; and the Director, Office of Tribal Relations. [[Page 22179]] Subpart B--General Delegations of Authority by the Secretary of ***Agriculture*** 0 4. Amend Sec. 2.7 by revising the first sentence to read as follows: Sec. 2.7 Authority to Supervise and Direct. Unless specifically reserved, or otherwise delegated (including delegations of legal functions to the General Counsel at Sec. 2.31), the delegations of authority to each general officer of the Department and each agency head contained in this part includes the authority to direct and supervise the employees engaged in the conduct of activities under such official's jurisdiction, and the authority to take any action, execute any document, authorize any expenditure, promulgate any rule, regulation, order, or instruction required by or authorized by law and deemed by the general officer or agency head to be necessary and proper to the discharge of his or her responsibilities. \* \* \* Subpart C--Delegations of Authority to the Deputy Secretary, Under Secretaries, and Assistant Secretaries 0 5. Amend Sec. 2.16 by: 0 a. Revising the section heading; 0 b. Revising paragraph (a) introductory text and (a)(1)(vi); 0 c. Adding paragraph (a)(1)(xi) 0 d. Revising paragraphs (a)(1)(xxvi) and (xxxii); 0 c. Adding paragraphs (a)(1)(xxxvii) and (xxxviii); and 0 d. Revising paragraphs (a)(3) and (10) and (b)(2). The revisions and additions read as follows: Sec. 2.16 Under Secretary for Farm Production and Conservation. (a) The following delegations of authority are made by the Secretary of ***Agriculture*** to the Under Secretary for Farm Production and Conservation: (1) \* \* \* (vi) Conduct fiscal, accounting and claims functions relating to Commodity Credit Corporation (CCC) ***programs*** for which the Under Secretary for Farm Production and Conservation has been delegated authority. \* \* \* \* \* (xi) Administer the Organic Certification Cost Share ***Programs*** authorized under the Federal Crop Insurance Act (7 U.S.C 1524(b)(4)(C)(ii), and under the Farm Security and Rural Investment Act, as amended by the ***Agricultural*** Act of 2014 (7 U.S.C 6523). [Reserved] \* \* \* \* \* (xxvi) Administer the following provisions of the Farm Security and Rural Investment Act of 2002 with respect to functions otherwise delegated to the Under Secretary for Farm Production and Conservation: \* \* \* \* \* (xxxii) Implement the authority in section 1241 of the Food Security Act of 1985 (16 U.S.C 3841) to accept and use voluntary contributions of non-Federal funds in support of natural resources conservation ***programs*** under subtitle D of title XII of that Act with respect to authorities delegated to the Under Secretary for Farm Production and Conservation. \* \* \* \* \* (xxxvii) Administer the funds made available to the Office of the Secretary under Title I of Subdivision B, Further Supplemental Appropriations for Disaster Relief Requirements Act, 2018, Public Law 115-123. (xxxviii) Determine the ***agricultural*** commodities acquired under price support ***programs*** which are available for export. \* \* \* \* \* (3) Related to natural resources conservation. (i) Provide national leadership in the conservation, development and productive use of the Nation's soil, water, and related resources. Such leadership encompasses soil, water, plant, and wildlife conservation; small watershed protection and flood prevention; and resource conservation and development. Integrated in these ***programs*** are erosion control, sediment reduction, pollution abatement, land use planning, multiple use, improvement of water quality, and several surveying and monitoring activities related to environmental improvement. All are designed to assure: (A) Quality in the natural resource base for sustained use; (B) Quality in the environment to provide attractive, convenient, and satisfying places to live, work, and play; and (C) Quality in the standard of living based on community improvement and adequate income. (ii) Provide national leadership in and evaluate and coordinate land use policy, and administer the Farmland Protection Policy Act (7 U.S.C 4201 et seq.), including the Farms for the Future ***Program*** authorized by sections 1465-1470 of the Food, ***Agriculture***, Conservation, and Trade Act of 1990, as amended (7 U.S.C 4201 note), except as otherwise delegated to the Under Secretary for Research, Education, and Economics in Sec. 2.21(a)(1)(lxii). (iii) Administer the basic ***program*** of soil and water conservation under Public Law 46, 74th Congress, as amended, and related laws (16 U.S.C 590 a-f, i-l, q, q-1; 42 U.S.C 3271-3274; 7 U.S.C 2201), including: (A) Technical and financial assistance to land users in carrying out locally adapted soil and water conservation ***programs*** primarily through soil and water conservation districts in the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, and Federally recognized Native American tribes, but also to communities, watershed groups, Federal and State agencies, and other cooperators. This authority includes such assistance as: (1) Comprehensive planning assistance in nonmetropolitan districts; (2) Assistance in the field of income-producing recreation on rural non-Federal lands; (3) Forestry assistance, as part of total technical assistance to private land owners and land users when such services are an integral part of land management and such services are not available from a State agency; and forestry services in connection with windbreaks and shelter belts to prevent wind and water erosion of lands; (4) Assistance in developing ***programs*** relating to natural beauty; and (5) Assistance to other USDA agencies in connection with the administration of their ***programs***, as follows: (i) To the Farm Service Agency in the development and technical servicing of certain ***programs***, such as the ***Agricultural*** Conservation ***Program*** and other such similar conservation ***programs***; (ii) To the Rural Housing Service in connection with their loan and land disposition ***programs***; (B) Soil Surveys, including: (1) Providing leadership for the Federal part of the National Cooperative Soil Survey which includes conducting and publishing soil surveys; (2) Conducting soil surveys for resource planning and development; and (3) Performing the cartographic services essential to carrying out the functions of the Natural Resources Conservation Service, including furnishing photographs, mosaics, and maps; (C) Conducting and coordinating snow surveys and making water supply forecasts pursuant to Reorganization Plan No. IV of 1940 (5 U.S.C App.); (D) Operating plant materials centers for the assembly and testing of plant [[Page 22180]] species in conservation ***programs***, including the use, administration, and disposition of lands under the administration of the Natural Resources Conservation Service for such purposes under title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C 1010-1011); and (E) Providing leadership in the inventorying and monitoring of soil, water, land, and related resources of the Nation. (iv) Administer the Watershed Protection and Flood Prevention ***Programs***, including: (A) The eleven authorized watershed projects authorized under 33 U.S.C 702b-1; (B) The emergency flood control work under 33 U.S.C 701b-1; (C) The Cooperative River Basin Surveys and Investigations ***Programs*** under 16 U.S.C 1006; (D) The pilot watershed projects under 16 U.S.C 590 a-f and 16 U.S.C 1001-1009; (E) The Watershed Protection and Flood Prevention ***Program*** under 16 U.S.C 1001-1010, including rehabilitation of water resource structural measures constructed under certain Department of ***Agriculture*** ***programs*** under 16 U.S.C 1012, except for responsibilities assigned to the Assistant to the Secretary for Rural Development. (F) The joint investigations and surveys with the Department of the Army under 16 U.S.C 1009; and (G) The Emergency Conservation ***Program*** and the Emergency Watershed Protection ***Program*** under sections 401-405 of the ***Agricultural*** Credit Act of 1978, 16 U.S.C 2201-2205, except for the provisions of sections 401 and 402, 16 U.S.C 2201-2202, as administered by the Under Secretary for Farm Production and Conservation. (v) Administer the Great Plains Conservation ***Program*** and the Critical Lands Resources Conservation ***Program*** under 16 U.S.C 590p(b), 590q and 590q-3. (vi) Administer the Resource Conservation and Development ***Program*** under 16 U.S.C 590 a-f; 7 U.S.C 1010-1011; and 16 U.S.C 3451-3461, except for responsibilities assigned to the Assistant to the Secretary for Rural Development. (vii) Responsibility for entering into long-term contracts for carrying out conservation and environmental measures in watershed areas. (viii) Provide national leadership for and administer the Soil and Water Resources Conservation Act of 1977 (16 U.S.C 2001 et seq.). (ix) Administer the Rural Clean Water ***Program*** and other responsibilities assigned under section 35 of the Clean Water Act of 1977 (33 U.S.C 1251 et seq.). (x) Monitor actions and progress of USDA in complying with Executive Order 11988, Flood Plain Management, 3 CFR, 1977 Comp., p. 117, and Executive Order 11990, Protection of Wetlands, 3 CFR, 1977 Comp., p. 121, regarding management of floodplains and protection of wetlands; monitor USDA efforts on protection of important ***agricultural***, forest and rangelands; and provide staff assistance to the USDA Natural Resources and Environment Committee. (xi) Administer the search and rescue operations authorized under 7 U.S.C 2273. (xii) Administer section 202(c) of the Colorado River Basin Salinity Control Act, 43 U.S.C 1592(c), including: (A) Identify salt source areas and determine the salt load resulting from irrigation and watershed management practices; (B) Conduct salinity control studies of irrigated salt source areas; (C) Provide technical and financial assistance in the implementation of salinity control projects including the development of salinity control plans, technical services for application, and certification of practice applications; (D) Develop plans for implementing measures that will reduce the salt load of the Colorado River; (E) Develop and implement long-term monitoring and evaluation plans to measure and report progress and accomplishments in achieving ***program*** objectives; and (F) Enter into and administer contracts with ***program*** participants and waive cost-sharing requirements when such cost-sharing requirements would result in a failure to proceed with needed on-farm measures. (xiii) Except as otherwise delegated, administer natural resources conservation authorities, including authorities related to ***programs*** of the Commodity Credit Corporation that provide assistance with respect to natural resources conservation, under Title XII of the Food Security Act of 1985 (the Act), as amended (16 U.S.C 3801 et seq.), including the following: (A) Technical assistance related to the conservation of highly erodible lands and wetlands pursuant to sections 1211-1223 of the Act (16 U.S.C 3811-3823). (B) Technical assistance related to the Conservation Reserve ***Program*** authorized by sections 1231-1235A of the Act (16 U.S.C 3831- 3835a). (C) The Wetlands Reserve ***Program*** and the Emergency Wetlands Reserve ***Program*** authorized by sections 1237-1237F of the Act (16 U.S.C 3837- 3837f) and the Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act, Public Law 103-75. (D) The Conservation Security ***Program*** authorized by sections 1238- 1238C (16 U.S.C 3838-3838c) and the Conservation Stewardship ***Program*** authorized by sections 1238D-1238G (16 U.S.C 3838d-3838g). (E) The Farmland Protection ***Program*** authorized by sections 1238H- 1238I of the Act (16 U.S.C 3838h-3838i). (F) The Farm Viability ***Program*** authorized by section 1238J of the Act (16 U.S.C 3838j). (G) The Environmental Easement ***Program*** authorized by sections 1239- 1239D of the Act (16 U.S.C 3839-3839d). (H) The Environmental Quality Incentives ***Program*** authorized by sections 1240-1240I of the Act (16 U.S.C 3839aa-3839aa-9). (I) The conservation of private grazing lands authorized by section 1240M of the Act (16 U.S.C 3839bb). (J) The Wildlife Habitat Incentives ***Program*** authorized by section 1240N of the Act (16 U.S.C 3839bb-1). (K) The ***program*** for soil erosion and sedimentation control in the Great Lakes basin authorized by section 1240P of the Act (16 U.S.C 3839bb-3). (L) The delivery of technical assistance under section 1242 of the Act (16 U.S.C 3842), including the approval of persons or entities outside of USDA to provide technical services. (M) The authority for partnerships and cooperation provided by section 1243 of the Act (16 U.S.C 3843). (N) The incentives for certain farmers and ranchers and Indian tribes and the protection of certain proprietary information related to natural resources conservation ***programs*** as provided by section 1244 of the Act (16 U.S.C 3844). (O) The ***Agriculture*** Conservation Experienced Services ***Program*** authorized by section 1252 of the Act (16 U.S.C 3851). (P) The authority under sections 1261-1262 of the Act (16 U.S.C 3861-3862) to establish and utilize State Technical Committees. (Q) The Grassland Reserve ***Program*** under sections 1238N-1238Q of the Act (16 U.S.C 3838n-3838q). (R) The authority in section 1241 of the Act (16 U.S.C 3841) to accept and use voluntary contributions of non-Federal funds in support of natural resources conservation ***programs*** under subtitle D of title XII of the Act with [[Page 22181]] respect to authorities delegated to the Under Secretary for Farm Production and Conservation. (S) The ***Agricultural*** Conservation Easement ***Program*** authorized by sections 1265-1265D of the Act (16 U.S.C 3865-3865d). (T) The Regional Conservation Partnership ***Program*** authorized by sections 1271-1271F (16 U.S.C 3871-3871f). (U) The Voluntary Public Access and Habitat Incentive ***Program*** authorized by section 1240R of the Act (16 U.S.C 3839bb-5). (V) A wetlands mitigation banking ***program*** authorized by section 1222(k) of the Act (16 U.S.C 3822(k)). (xiv) Approve and transmit to the Congress comprehensive river basin reports. (xv) Provide representation on the Water Resources Council and river basin commissions created by 42 U.S.C 1962, and on river basin interagency committees. (xvii) Administer the Water Bank ***Program*** under the Water Bank Act (16 U.S.C 1301 et seq.). (xviii) [Reserved] (xix) Coordinate USDA input and assistance to the Department of Commerce and other Federal agencies consistent with section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C 1456), and coordinate USDA review of qualifying state and local government coastal management plans or ***programs*** prepared under such Act and submitted to the Secretary of Commerce, consistent with section 306(a) and (c) of such Act (16 U.S.C 1455(a) and (c)). (xx) Administer the Healthy Forests Reserve ***Program*** authorized by sections 501-508, Title V of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6571-6578). (xxi) Implement the information disclosure authorities of section 1619(b)(3)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C 8791(b)(3)(A)). (xxii) In coordination with the Director, Office of Advocacy and Outreach, issue receipts under section 2501A(e) of the Food, ***Agriculture***, Conservation, and Trade Act of 1990 (7 U.S.C 2279-1(e)). (xxiii) Authorize employees of the Natural Resources Conservation Service to carry and use firearms for personal protection while conducting field work in remote locations in the performance of their official duties (7 U.S.C 2274a). (xxiv) Conduct activities that assist the Chief Economist in developing guidelines regarding the development of environmental services markets. (xxv) Administer the Terminal Lakes assistance ***program*** authorized by section 2507 of the Farm Security and Rural Investment Act of 2002 (16 U.S.C 3839bb-6). \* \* \* \* \* (10) Carry out prize competition authorities in section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) related to functions otherwise delegated to the Under Secretary for Farm Production and Conservation, except for authorities delegated to the Chief Financial Officer in Sec. 2.28(a)(29) and authorities reserved to the Secretary in paragraph (b)(4) of this section. (b) \* \* \* (2) Related to natural resources conservation. Designation of new project areas in which the resource conservation and development ***program*** assistance will be provided. \* \* \* \* \* 0 6. Amend Sec. 2.17 by adding paragraph (a)(20)(xiv) to read as follows: Sec. 2.17 Assistant to the Secretary for Rural Development. (a) \* \* \* (20) \* \* \* (xiv) Administer the authority under section 746 of Division A of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141), and any successor provisions in subsequent appropriations acts, to issue waivers to the U.S iron and steel requirements for the construction, alteration, maintenance, or repair of a public water or wastewater system. \* \* \* \* \* Sec. 2.20 [Amended] 0 7. Amend Sec. 2.20 by removing and reserving paragraph (a)(3). Sec. 2.22 [Amended] 0 8. Amend Sec. 2.22 by: 0 a. Revising all references to ``2.16(a)(3)(x)'' to read ``2.26(a)(1)(x)''; 0 b. Revising all references to ``Under Secretary for Farm and Foreign ***Agricultural*** Services'' to read ``Under Secretary for Trade and Foreign ***Agricultural*** Affairs''; and 0 c. Removing and reserving paragraph (a)(1)(viii)(DDD). 0 9. Add Sec. 2.26 to read as follows: Sec. 2.26 Under Secretary for Trade and Foreign ***Agricultural*** Affairs. (a) The following delegations of authority are made by the Secretary of ***Agriculture*** to the Under Secretary for Trade and Foreign ***Agricultural*** Affairs: (1) Related to foreign ***agriculture***. (i) Coordinate the carrying out by Department agencies of their functions involving foreign ***agricultural*** policies and ***programs*** and their operations and activities in foreign areas. Act as liaison on these matters and functions relating to foreign ***agriculture*** between the Department of ***Agriculture*** and the Department of State, the United States Trade Representative, the Trade Policy Committee, the Agency for International Development, and other departments, agencies, and committees of the U.S Government, foreign governments, the Organization for Economic Cooperation and Development, the European Union, the Food and ***Agriculture*** Organization of the United Nations, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Organization of American States, and other public and private U.S and international organizations, and the contracting parties to the World Trade Organization (WTO). (ii) Administer Departmental ***programs*** concerned with development of foreign markets for ***agricultural*** products of the United States except functions relating to export marketing operations under section 32 of the Act of August 23, 1935, as amended (7 U.S.C 612c), delegated to the Under Secretary for Marketing and Regulatory ***Programs***, and utilization research delegated to the Under Secretary for Research, Education, and Economics. (iii) Conduct studies of worldwide production, trade, marketing, prices, consumption, and other factors affecting exports and imports of U.S ***agricultural*** commodities; obtain information on methods used by other countries to move farm commodities in world trade on a competitive basis for use in the development of ***programs*** of this Department; provide information to domestic producers, the ***agricultural*** trade, the public and other interests; and promote normal commercial markets abroad. This delegation excludes basic and long-range analyses of world conditions and developments affecting supply, demand, and trade in farm products and general economic analyses of the international financial and monetary aspects of ***agricultural*** affairs as assigned to the Under Secretary for Research, Education, and Economics. (iv) Conduct functions of the Department relating to WTO, the Trade Expansion Act of 1962 (19 U.S.C 1801 et seq.), the Trade Act of 1974 (19 U.S.C 2101 et seq.), the Trade Agreements Act of 1979 (19 U.S.C 2501 et seq.), the Omnibus Trade and Competition Act of 1988 (19 U.S.C 2901 et seq.), the provisions of subtitle B of title III of the North American Free Trade Agreement [[Page 22182]] Implementation Act, and other legislation affecting international ***agricultural*** trade including the ***programs*** designed to reduce foreign tariffs and other trade barriers. (v) Maintain a worldwide ***agricultural*** intelligence and reporting system, including provision for foreign ***agricultural*** representation abroad to protect and promote U.S ***agricultural*** interests and to acquire information on demand, competition, marketing, and distribution of U.S ***agricultural*** commodities abroad pursuant to title VI of the ***Agricultural*** Act of 1954, as amended (7 U.S.C 1761-1768). (vi) Exercise the Department's functions with respect to the International Coffee Agreement or any such future agreement. (vii) Administer functions of the Department relating to import controls, except those functions reserved to the Secretary in paragraph (b) of this section and those relating to section 8e of the ***Agricultural*** Act of 1938 (7 U.S.C 608e-1), as assigned to the Under Secretary for Marketing and Regulatory ***Programs***. These include: (A) Functions under section 22 of the ***Agricultural*** Adjustment Act of 1933, as amended (7 U.S.C 624); (B) General note 15(c) to the Harmonized Tariff Schedule of the United States (19 U.S.C 1202); (C) Requests for emergency relief from duty-free imports of perishable products filed with the Department of ***Agriculture*** under section 213(f) of the Caribbean Basin Recovery Act of 1983 (19 U.S.C 2703(f)); (D) Section 404 of the Trade and Tariff Act of 1984 (19 U.S.C 2112 note); (E) Section 204(d) of the Andean Trade Preference Act (19 U.S.C 3203(d)); (F) Functions under sections 309 and 316 of the North American Free Trade Agreement Implementation Act (19 U.S.C 3358 and 3381); (G) Section 301(a) of the United States-Canada Free Trade Agreement Implementation Act (19 U.S.C 2112 note); and (H) Section 204 of the ***Agricultural*** Act of 1956, as amended (7 U.S.C 1854). (viii) Conduct Department activities to carry out the provisions of the Export Administration Act of 1979, as amended (50 U.S.C Chapter 56). (ix) Exercise the Department's responsibilities in connection with international negotiations of the Grains Trade Convention and in the administration of such Convention. (x) Plan and carry out ***programs*** and activities under the foreign market promotion authority of: The Wheat Research and Promotion Act (7 U.S.C 1292 note); the Cotton Research and Promotion Act (7 U.S.C 2101-2118); the Potato Research and Promotion Act (7 U.S.C 2611-2627); the Egg Research and Consumer Information Act of 1974 (7 U.S.C 2701- 2718); the Beef Research and Information Act, as amended (7 U.S.C 2901-2911); the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C 3401-3417); the Floral Research and Consumer Information Act of 1981 (7 U.S.C 4301-4319); subtitle B of title I of the Dairy and Tobacco Adjustment Act of 1983 (7 U.S.C 4501-4514); the Honey Research, Promotion, and Consumer Information Act of 1984, as amended (7 U.S.C 4601-4613); the Pork Promotion, Research, and Consumer Information Act of 1985 (7 U.S.C 4801-4819); the Watermelon Research and Promotion Act, as amended (7 U.S.C 4901-4916); the Pecan Promotion and Research Act of 1990 (7 U.S.C 6001-6013); the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C 6101-6112); the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C 6201-6212); the Soybean Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C 6301-6311); the Fluid Milk Promotion Act of 1990 (7 U.S.C 6401-6417); the Fresh Cut Flowers and Fresh Cut Greens Promotion and Consumer Information Act (7 U.S.C 6801-6814); the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C 7101- 7111); the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C 7411-7425); the Canola and Rapeseed Research, Promotion, and Consumer Information Act (7 U.S.C 7441-7452); the National Kiwifruit Research, Promotion, and Consumer Information Act (7 U.S.C 7461-7473); and, the Popcorn Promotion, Research, and Consumer Information Act (7 U.S.C 7481-7491). This authority includes determining the ***programs*** and activities to be undertaken and assuring that they are coordinated with the overall departmental ***programs*** to develop foreign markets for U.S ***agricultural*** products. (xi) Formulate policies and administer barter ***programs*** under which ***agricultural*** commodities are exported. (xii) Perform functions of the Department in connection with the development and implementation of agreements to finance the sale and exportation of ***agricultural*** commodities under the Food for Peace Act (7 U.S.C 1691, 1701 et seq.). (xiii) [Reserved] (xiv) Coordinate within the Department activities arising under the Food for Peace Act (except as delegated to the Under Secretary for Research, Education, and Economics in Sec. 2.21(a)(8)), and represent the Department in its relationships in such matters with the Department of State, any interagency committee on the Food for Peace Act, and other departments, agencies and committees of the Government. (xv)-(xvi) [Reserved] (xvii) Carry out activities relating to the sale, reduction, or cancellation of debt, as authorized by title VI of the ***Agricultural*** Trade and Development Act of 1954, as amended (7 U.S.C 1738 et seq.). (xviii) [Reserved] (xix) Allocate the ***agricultural*** commodities acquired under price support ***programs*** that have been determined by the Under Secretary for Farm Production and Conservation or designee to be available for export among the various export ***programs***. (xx) Conduct economic analyses pertaining to the foreign sugar situation. (xxi) Exercise the Department's functions with respect to the International Sugar Agreement or any such future agreements. (xxii) Exercise the Department's responsibilities with respect to tariff-rate quotes for dairy products under chapter 4 of the Harmonized Tariff Schedule of the United States (19 U.S.C 1202). (xxiii) Serve as a focal point for handling quality or weight discrepancy inquiries from foreign buyers of U.S ***agricultural*** commodities to insure that they are investigated and receive a timely response and that reports thereof are made to appropriate parties and government officials in order that corrective action may be taken. (xxiv) Establish and administer regulations relating to foreign travel by employees of the Department. Regulations will include, but not be limited to, obtaining and controlling passports, obtaining visas, coordinating Department of State medical clearances and imposing requirements for itineraries and contacting the Foreign ***Agricultural*** Affairs Officers upon arrival in the Officers' country(ies) of responsibility. (xxv) Formulate policies and administer ***programs*** and activities authorized by the ***Agricultural*** Trade Act of 1978, as amended (7 U.S.C 5601 et seq.). (xxvi) Administer the Foreign Service personnel system for the Department in accordance with 22 U.S.C 3922, except as otherwise delegated to the Under Secretary for Marketing and Regulatory ***Programs*** in Sec. 2.22(a)(2)(i), but including [[Page 22183]] authority to approve joint regulations issued by the Department of State and authority to represent the Department of ***Agriculture*** in all interagency consultations and negotiations with the other foreign affairs agencies with respect to joint regulations. (xxvii) Establish and maintain U.S ***Agricultural*** Trade Offices, to develop, maintain and expand international markets for U.S ***agricultural*** commodities in accordance with title IV of Public Law No. 95-501 (7 U.S.C 1765a-g). (xxviii) Administer the ***programs*** under section 416(b) of the ***Agricultural*** Act of 1949, as amended (7 U.S.C 1431(b)), relating to the foreign donation of CCC stocks of ***agricultural*** commodities, except as otherwise delegated in Sec. 2.42(a)(43). (xxix) Support remote sensing activities of the Department and research with satellite imagery including: (A) Providing liaison with U.S space ***programs***; (B) Providing administrative management of the USDA Remote Sensing Archive and the ***transfer*** of satellite imagery to all USDA agencies; (C) Coordinating all agency satellite imagery data needs; and (D) Arranging for acquisition, and preparation of imagery for use to the extent of existing capabilities. (xxx) [Reserved] (xxxi) Administer ***programs*** under the Food for Progress Act of 1985 (7 U.S.C 1736o), except as otherwise delegated in Sec. 2.42(a)(43). (xxxii) Serve as Department adviser on policies, organizational arrangements, budgets, and actions to accomplish international scientific and technical cooperation in food and ***agriculture***. (xxxiii) Administer and direct the Department's ***programs*** in international development, technical assistance, and training carried out under the Foreign Assistance Act, as amended, as requested under such act (22 U.S.C 2151 et seq.). (xxxiv) Administer and coordinate assigned Departmental ***programs*** in international research and scientific and technical cooperation with other governmental agencies, land grant universities, international organizations, international ***agricultural*** research centers, and other organizations, institutions, or individuals (7 U.S.C 1624, 3291). (xxxv) Direct and coordinate the Department's participation in scientific and technical matters and exchange agreements between the United States and other countries. (xxxvi) Direct and coordinate the Department's work with international organizations and interagency committees concerned with food and ***agricultural*** development ***programs*** (7 U.S.C 2201-2202). (xxxvii) Coordinate policy formulation for USDA international science and technology ***programs*** concerning international ***agricultural*** research centers, international organizations, and international ***agricultural*** research and extension activities (7 U.S.C 3291). (xxxviii) Disseminate, upon request, information on subjects connected with ***agriculture*** which has been acquired by USDA agencies that may be useful to the U.S private sector in expanding foreign markets and investment opportunities through the operation of a Department information center, pursuant to 7 U.S.C 2201. (xxxix) Enter into contracts, grants, cooperative agreements, and cost reimbursable agreements relating to ***agricultural*** research, extension, or teaching activities (7 U.S.C 3318, 3319a). (xl) Determine amounts reimbursable for indirect costs under international ***agricultural*** ***programs*** and agreements (7 U.S.C 3319). (xli) Administer the Cochran Fellowship ***Program*** (7 U.S.C 3293). (xlii) Determine quantity trigger levels and impose additional duties under the special safeguard measures in accordance with U.S note 2 to subchapter IV of chapter 99 of the Harmonized Tariff Schedule of the United States (19 U.S.C 1202). (xliii) Implement provisions of the Trade Act of 1974 regarding adjustment assistance for farmers (19 U.S.C 2401-2401g). (xliv) Implement section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C 1736o-1). (xlv) [Reserved] (xlvi) Implement section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C 1726c) regarding local and regional food aid procurement projects. (xlvii) Administer the Borlaug International ***Agricultural*** Science and Technology Fellowship ***Program*** (7 U.S.C 3319j). (xlviii) [Reserved] (xlix) Administer the following provisions of the ***Agricultural*** Act of 2014, Public Law 113-79: (A) Section 12314 relating to the Pima ***Agriculture*** Cotton Trust Fund (7 U.S.C 2101 note), in coordination with the Under Secretary for Farm Production and Conservation. (B) Section 12315 relating to the ***Agriculture*** Wool Apparel Manufacturers Trust Fund (7 U.S.C 7101 note), in coordination with the Under Secretary for Farm Production and Conservation. (2) [Reserved] (3) Administer responsibilities and functions assigned under the Defense Production Act of 1950 (50 U.S.C App. 2061 et seq.), and title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5195 et seq.), concerning foreign ***agricultural*** intelligence and other foreign ***agricultural*** matters. (4) Carry out prize competition authorities in section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) related to functions otherwise delegated to the Under Secretary for Trade and Foreign ***Agricultural*** Affairs, except for authorities delegated to the Chief Financial Officer in Sec. 2.28(a)(29) and authorities reserved to the Secretary in paragraph (b)(2) of this section. (5) Related to the U.S Codex Office. (i) Inform the public of the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (19 U.S.C 2578; Pres. Proc. 6780). (ii) Enter into agreements with organizations, institutions or individuals throughout the world to conduct activities related to the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission, including international outreach and education, in order to promote and support the development of a viable and sustainable global ***agricultural*** system; antihunger and improved international nutrition efforts; and increased quantity, quality, and availability of food (7 U.S.C 3291). (iii) Coordinate with institutions and other persons throughout the world performing ***agricultural*** and related research, extension, and teaching activities by exchanging research materials and results with such institutions or persons or by conducting with such institutions or persons joint or coordinated research, extension, or teaching activities that are related to the sanitary and phytosanitary standard- setting activities of the Codex Alimentarius Commission and that address problems of significance to food and ***agriculture*** in the United States (7 U.S.C 3291). (iv) Work with transitional and more advanced countries in food, ***agricultural***, and related research, development, teaching, and extension activities related to the sanitary and phytosanitary standard-setting activities of the Codex [[Page 22184]] Alimentarius Commission (7 U.S.C 3291). (v) Enter into contracts, grants, cooperative agreements, and cost reimbursable agreements to carry out the Department's ***agricultural*** research, extension, or teaching activities related to the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (7 U.S.C 3318, 3319a). (vi) Determine amounts reimbursable for indirect costs under international ***agricultural*** ***programs*** and agreements (7 U.S.C 3319). (vii) Coordinate policy formulation for USDA international science and technology ***programs*** concerning the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (7 U.S.C 3291). (b) The following authorities are reserved to the Secretary of ***Agriculture***: (1) Related to foreign ***agriculture***. (i) Approving export controls with respect to any ***agricultural*** commodity, including fats and oils or animal hides or skins as provided for in the Export Administration Act of 1969, as amended (50 U.S.C App. 2401 et seq.). (ii) Advising the President that imports are having the effect on ***programs*** or operations of this Department required as a prerequisite for the imposition of import controls under section 22 of the ***Agricultural*** Adjustment Act of 1933, as amended (7 U.S.C 624a), recommending that the President cause an investigation to be made by the Tariff Commission of the facts so that a determination can be made whether import restrictions should be imposed under that Act, and determining under section 204(e) of the Andean Trade Preference Act (19 U.S.C 3203(e)) that there exists a serious injury, or threat thereof and recommending to the President whether or not to take action. (iii) Determining the ***agricultural*** commodities and the quantities thereof available for disposition under the Food for Peace Act (7 U.S.C 1731). (2) Approval of prize competitions that may result in the award of more than $1,000,000 in cash prizes under section 24(m)(4)(B) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719(m)(4)(B)). Subpart D--Delegations of Authority to Other General Officers and Agency Heads 0 10. Amend Sec. 2.31 by revising paragraph (a)(18) and adding paragraphs (a)(19) and (20) to read as follows: Sec. 2.31 General Counsel. (a) \* \* \* (18) Conduct legal sufficiency reviews and concur before a proposed settlement offer is made to an opposing party for all informal and formal Equal Employment Opportunity (EEO), Office of Special Counsel (OSC), or Merit Systems Protection Board (MSPB) complaints that: (i) Require a ***payment*** of compensatory damages or attorney's fees resulting in costs to the Department totaling $50,000 or more; or (ii) Are brought by, or allege discriminatory conduct by, any political appointee; or (iii) Place any political appointee on a detail outside the Department or on an Intergovernmental Personnel Act (IPA) agreement for one ***year*** or more if the Department retains the obligation to pay the employee's salary and benefits during the duration of the detail or IPA agreement. (19) Review monetary settlement agreements of any dollar amount negotiated by USDA offices or agencies upon request except that legal sufficiency review conducted by and concurrence from the Office of the General Counsel is required prior to execution for all proposed settlement agreements negotiated by USDA offices or agencies totaling $500,000 or more, including attorney's fees. This required review is in addition to existing delegations of authority and processes for USDA offices' or agencies' processing of settlement agreements. This required review does not apply to: (i) Settlements pursuant to the Federal Tort Claims Act, which the Office of the General Counsel handles pursuant to paragraph (a)(1) of this section; (ii) Settlements for personnel matters, which the Office of the General Counsel handles pursuant to paragraph (a)(18) of this section; (iii) Settlement of contract claims, which contracting officers handle pursuant to the Contract Disputes Act (41 U.S.C 601 et seq.) and Federal Acquisition Regulation (48 CFR parts 1 through 99); or (iv) Settlement of USDA offices' or agencies' debt collection actions. (20) Conduct legal sufficiency reviews and concur with all proposed agency contracts or other transactions to retain outside counsel or for the provision of legal services regardless of whether an agency has specific statutory authority to retain outside counsel or legal services. The following services do not require legal sufficiency review and concurrence from the Office of the General Counsel: Contracts for the provision of services in relation to USDA office's and agencies' Freedom of Information Act activities; contracts for the performance of trademark searches or other trademark or copyright related services; or contracts for the performance of patent prosecution or other related patent services. \* \* \* \* \* Subpart F--Delegations of Authority by the Under Secretary for Farm Production and Conservation 0 11. The heading for subpart F is revised to read as set forth above. 0 12. Revise Sec. 2.40 to read as follows: Sec. 2.40 Deputy Under Secretary for Farm Production and Conservation. Pursuant to Sec. 2.16(a), subject to reservations in Sec. 2.16(b), and subject to policy guidance and direction by the Under Secretary, the following delegation of authority is made to the Deputy Under Secretary for Farm Production and Conservation, to be exercised only during the absence or unavailability of the Under Secretary: Perform all the duties and exercise all the powers which are now or which may hereafter be delegated to the Under Secretary for Farm Production and Conservation: Provided, that this authority shall be exercised by the respective Deputy Under Secretary in the order in which he or she has taken office as a Deputy Under Secretary. 0 13. Amend Sec. 2.42 by: 0 a. Revising paragraph (a) introductory text; 0 b. Removing the citation ``Sec. 2.43'' and adding in its place the citation ``Sec. 2.601'' in paragraph (a)(7); 0 c. Removing the words ``Under Secretary for Farm and Foreign ***Agricultural*** Services'' and adding in their place the words ``Under Secretary for Trade and Foreign ***Agricultural*** Affairs'' in paragraph (a)(11); 0 d. Removing the words ``Under Secretary for Farm and Foreign ***Agricultural*** Services'' and adding in their place the words ``Under Secretary for Farm Production and Conservation'' in paragraph (a)(45); 0 e. Adding paragraphs (a)(60), (61), and (62); and 0 f. Removing the words ``Under Secretary for Farm and Foreign ***Agricultural*** Affairs'' and adding in their place the words ``Under Secretary for Farm Production and Conservation'' in paragraph (b) introductory text. The revisions and additions read as follows: Sec. 2.42 Administrator, Farm Service Agency. (a) Delegations. Pursuant to Sec. 2.16(a)(1) and (2) and (a)(6) through [[Page 22185]] (8), subject to the reservations in Sec. 2.16(b)(1), the following delegations of authority are made by the Under Secretary for Farm Production and Conservation to the Administrator, Farm Service Agency: \* \* \* \* \* (60) Administer the funds made available to the Office of the Secretary under Title I of Subdivision B, Further Supplemental Appropriations for Disaster Relief Requirements Act, 2018, Public Law 115-123. (61) Administer the Organic Certification Cost Share ***Programs*** authorized under the Federal Crop Insurance Act (7 U.S.C 1524(b)(4)(C)(ii), and under the Farm Security and Rural Investment Act, as amended by the ***Agricultural*** Act of 2014 (7 U.S.C 6523). (62) Determine the ***agricultural*** commodities acquired under price support ***programs*** which are available for export. \* \* \* \* \* 0 14. Revise Sec. 2.43 to read as follows: Sec. 2.43 Chief, Natural Resources and Conservation Service. (a) Delegations. Pursuant to Sec. 2.16(a)(3), subject to reservations in Sec. 2.16(b) of this chapter, the following delegations of authority are made by the Under Secretary for Farm Production and Conservation to the Chief of the Natural Resources Conservation Service: (1) Provide national leadership in the conservation, development and productive use of the Nation's soil, water, and related resources. Such leadership encompasses soil, water, plant, and wildlife conservation; small watershed protection and flood prevention; and resource conservation and development. Integrated in these ***programs*** are erosion control, sediment reduction, pollution abatement, land use planning, multiple use, improvement of water quality, and several surveying and monitoring activities related to environmental improvement. All are designed to assure: (i) Quality in the natural resource base for sustained use; (ii) Quality in the environment to provide attractive, convenient, and satisfying places to live, work, and play; and (iii) Quality in the standard of living based on community improvement and adequate income. (2) Provide national leadership in evaluating and coordinating land use policy, and administer the Farmland Protection Policy Act (7 U.S.C 4201 et seq.), including the Farms for the Future ***Program*** authorized by sections 1465-1470 of the Food, ***Agriculture***, Conservation, and Trade Act of 1990 (7 U.S.C 4201 note), except as otherwise delegated to the Administrator, ***Agricultural*** Research Service in Sec. 2.65(a)(80) and the Director, National Institute of Food and ***Agriculture*** in Sec. 2.66(a)(76). (3) Administer the basic ***program*** of soil and water conservation under Public Law No. 46, 74th Congress, as amended, and related laws (16 U.S.C 590a-f, 1-1, q, q-1; 42 U.S.C 3271-3274; 7 U.S.C 2201), including: (i) Technical and financial assistance to land users in carrying out locally adapted soil and water conservation ***programs*** primarily through soil and water conservation districts in the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, and Federally recognized Native American tribes, but also to communities, watershed groups, Federal and State agencies, and other cooperators. This authority includes such assistance as: (A) Comprehensive planning assistance in nonmetropolitan districts; (B) Assistance in the field of income-producing recreation on rural non-Federal lands; (C) Forestry assistance, as part of total technical assistance to private land owners and land users when such services are an integral part of land management and such services are not available from a State agency; and forestry services in connection with windbreaks and shelter belts to prevent wind and water erosion of lands; (D) Assistance in developing ***programs*** relating to natural beauty; and (E) Assistance to other USDA agencies in connection with the administration of their ***programs***, as follows: (1) To the Farm Service Agency in the development and technical servicing of certain ***programs***, such as the ***Agricultural*** Conservation ***Program*** and other such similar conservation ***programs***; (2) To the Rural Housing Service in connection with their loan and land disposition ***programs***. (ii) Soil Surveys, including: (A) Providing leadership for the Federal part of the National Cooperative Soil Survey which includes conducting and publishing soil surveys; (B) Conducting soil surveys for resource planning and development; and (C) Performing the cartographic services essential to carrying out the functions of the Natural Resources Conservation Service, including furnishing photographs, mosaics, and maps. (iii) Conducting and coordinating snow surveys and making water supply forecasts pursuant to Reorganization Plan No. IV of 1940 (5 U.S.C App.); (iv) Operating plant materials centers for the assembly and testing of plant species in conservation ***programs***, including the use, administration, and disposition of lands under the administration of the Natural Resources Conservation Service for such purposes under title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C 1010-1011); and (v) Providing leadership in the inventorying and monitoring of soil, water, land, and related resources of the Nation. (4) Administer the Watershed Protection and Flood Prevention ***Programs***, including: (i) The eleven authorized watershed projects authorized under 33 U.S.C 702b-1, except for responsibilities assigned to the Forest Service; (ii) The emergency flood control work under 33 U.S.C 701b-1, except for responsibilities assigned to the Forest Service; (iii) The Cooperative River Basin Surveys and Investigations ***Programs*** under 16 U.S.C 1006, except for responsibilities assigned to the Forest Service; (iv) The pilot watershed projects under 16 U.S.C 590a-f, and 16 U.S.C 1001-1009, except for responsibilities assigned to the Forest Service; (v) The Watershed Protection and Flood Prevention ***Program*** under 16 U.S.C 1001-1010, including rehabilitation of water resource structural measures constructed under certain Department of ***Agriculture*** ***programs*** under 16 U.S.C 1012, except for responsibilities assigned to the Rural Housing Service and the Forest Service. (vi) The joint investigations and surveys with the Department of the Army under 16 U.S.C 1009; and (vii) The Emergency Conservation ***Program*** and the Emergency Watershed Protection ***Program*** under sections 401-405 of the ***Agricultural*** Credit Act of 1978, 16 U.S.C 2201-2205, except for the provisions of sections 401 and 402, 16 U.S.C 2201-2202, as administered by the Farm Service Agency. (5) Administer the Great Plains Conservation ***Program*** and the Critical Lands Resources Conservation ***Program*** under 16 U.S.C 590p(b). (6) Administer the Resource Conservation and Development ***Program*** under 16 U.S.C 590a-f; 7 U.S.C 1010-1011; and 16 U.S.C 3451-3461, except [[Page 22186]] for responsibilities assigned to the Rural Utilities Service. (7) Responsibility for entering into long-term contracts for carrying out conservation and environmental measures in watershed areas. (8) Provide national leadership for and administer the Soil and Water Resources Conservation Act of 1977 (16 U.S.C 2001 et seq.), except for responsibilities assigned to other USDA agencies. (9) Administer Rural Clean Water ***Program*** and other responsibilities assigned under section 35 of the Clean Water Act of 1977 (33 U.S.C 1251 et seq.). (10) Monitor actions and progress of USDA in complying with Executive Order 11988, Flood Plain Management, 3 CFR, 1977 Comp., p. 117, and Executive Order 11990, Protection of Wetlands, 3 CFR, 1977 Comp., p. 121, regarding management of floodplains and protection of wetlands; monitor USDA efforts on protection of important ***agricultural***, forest and rangelands; and provide staff assistance to the USDA Natural Resources and Environment Committee. (11) Administer the search and rescue operations authorized under 7 U.S.C 2273. (12) Administer section 202(c) of the Colorado River Basin Salinity Control Act, 43 U.S.C 1592(c) including: (i) Identify salt source areas and determine the salt load resulting from irrigation and watershed management practices; (ii) Conduct salinity control studies of irrigated salt source areas; (iii) Provide technical and financial assistance in the implementation of salinity control projects including the development of salinity control plans, technical services for application, and certification of practice applications; (iv) Develop plans for implementing measures that will reduce the salt load of the Colorado River; (v) Develop and implement long-term monitoring and evaluation plans to measure and report progress and accomplishments in achieving ***program*** objectives; and (vi) Enter into and administer contracts with ***program*** participants and waive cost-sharing requirements when such cost-sharing requirements would result in a failure to proceed with needed on-farm measures. (13) Administer natural resources conservation authorities, including authorities related to ***programs*** of the Commodity Credit Corporation that provide assistance with respect to natural resources conservation, under Title XII of the Food Security Act of 1985 (the Act), as amended (16 U.S.C 3801 et seq.), including the following: (i) Technical assistance related to the conservation of highly erodible lands and wetlands pursuant to sections 1211-1223 of the Act (16 U.S.C 3811-3823); (ii) Technical assistance related to the Conservation Reserve ***Program*** authorized by sections 1231-1235A of the Act (16 U.S.C 3831- 3835a); (iii) The Wetlands Reserve ***Program*** and the Emergency Wetlands Reserve ***Program*** authorized by sections 1237-1237F of the Act (16 U.S.C 3837-3837f) and the Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act, Public Law 103- 75; (iv) The Conservation Security ***Program*** authorized by sections 1238- 1238C (16 U.S.C 3838-3838c) and the Conservation Stewardship ***Program*** authorized by sections 1238D-1238G (16 U.S.C 3838d-3838g). (v) The Farmland Protection ***Program*** authorized by sections 1238H- 1238I of the Act (16 U.S.C 3838h-3838i); (vi) The Farm Viability ***Program*** authorized by section 1238J of the Act (16 U.S.C 3838j); (vii) The Environmental Easement ***Program*** authorized by sections 1239-1239D of the Act (16 U.S.C 3839-3839d); (viii) The Environmental Quality Incentives ***Program*** authorized by sections 1240-1240I of the Act (16 U.S.C 3839aa-3839aa-9); (ix) The conservation of private grazing lands authorized by section 1240M of the Act (16 U.S.C 3839bb); (x) The Wildlife Habitat Incentives ***Program*** authorized by section 1240N of the Act (16 U.S.C 3839bb-1); (xi) The ***program*** for soil erosion and sedimentation control in the Great Lakes basin authorized by section 1240P of the Act (16 U.S.C 3839bb-3); (xii) The delivery of technical assistance under section 1242 of the Act (16 U.S.C 3842), including the approval of persons or entities outside of USDA to provide technical services; (xiii) The authority for partnerships and cooperation provided by section 1243 of the Act (16 U.S.C 3843); and (xiv) The incentives for certain farmers and ranchers and Indian tribes and the protection of certain proprietary information related to natural resources conservation ***programs*** as provided by section 1244 of the Act (16 U.S.C 3844), except for responsibilities assigned to the Administrator, Farm Service Agency. (xv) The ***Agriculture*** Conservation Experienced Services ***Program*** authorized by section 1252 of the Act (16 U.S.C 3851). (xvi) The authority under sections 1261-1262 of the Act (16 U.S.C 3861-3862) to establish and utilize State Technical Committees. (xvii) Those portions of the Grassland Reserve ***Program*** under sections 1238N-1238Q of the Act (16 U.S.C 3838n-3838q) that are or become the responsibility of the Under Secretary for Farm Production and Conservation. (xviii) The authority in section 1241 of the Act (16 U.S.C 3841) to accept and use voluntary contributions of non-Federal funds in support of natural resources conservation ***programs*** under subtitle D of title XII of the Act with respect to authorities delegated to the Chief, Natural Resources Conservation Service. (xix) The ***Agricultural*** Conservation Easement ***Program*** authorized by sections 1265-1265D of the Act (16 U.S.C 3865-3865d). (xx) The Regional Conservation Partnership ***Program*** authorized by sections 1271-1271F (16 U.S.C 3871-3871f). (xxi) The Voluntary Public Access and Habitat Incentive ***Program*** authorized by section 1240R of the Act (16 U.S.C 3839bb-5). (xxii) A wetlands mitigation banking ***program*** authorized by section 1222(k) of the Act (16 U.S.C 3822(k)). (14) Approve and transmit to the Congress comprehensive river basin reports. (15) Provide representation on the Water Resources Council and river basin commissions created by 42 U.S.C 1962, and on river basin interagency committees. (16) [Reserved] (17) Administer the Water Bank ***Program*** under the Water Bank Act (16 U.S.C 1301 et seq.). (18) Administer the ***agricultural*** management assistance provisions of section 524(b) of the Federal Crop Insurance Act, as amended (7 U.S.C 1524(b)), except for responsibilities assigned to the Administrator, Risk Management Agency, and to the Administrator, Farm Service Agency. (19) Administer the Healthy Forests Reserve ***Program*** authorized by sections 501-508, Title V of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6571-6578). (20) Coordinate USDA input and assistance to the Department of Commerce and other Federal agencies consistent with section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C 1456), and coordinate USDA review of qualifying state and local government coastal management plans [[Page 22187]] or ***programs*** prepared under such Act and submitted to the Secretary of Commerce, consistent with section 306(a) and (c) of such Act (16 U.S.C 1455(a) and (c)). (21) Administer responsibilities and functions assigned under the Defense Production Act of 1950, as amended (50 U.S.C App. 2061 et seq.), and title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5195 et seq.), relating to ***agricultural*** lands and water. (22) Administer the Abandoned Mine Reclamation ***Program*** for Rural Lands and other responsibilities assigned under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C 1201 et seq.), except for responsibilities assigned to the Forest Service. (23) With respect to land and facilities under his or her authority, to exercise the functions delegated to the Secretary by Executive Order 12580, 3 CFR, 1987 Comp., p. 193, under the following provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (``the Act''), as amended: (i) Sections 104(a), (b), and (c)(4) of the Act (42 U.S.C 9604(a), (b), and (c)(4)), with respect to removal and remedial actions in the event of release or threatened release of a hazardous substance, pollutant, or contaminant into the environment; (ii) Sections 104(e)-(h) of the Act (42 U.S.C 9604 (e)-(h)), with respect to information gathering and access requests and orders; compliance with Federal health and safety standards and wage and labor standards applicable to covered work; and emergency procurement powers; (iii) Section 104(i)(11) of the Act (42 U.S.C 9604(i)(11)), with respect to the reduction of exposure to significant risk to human health; (iv) Section 104(j) of the Act (42 U.S.C 9604(j)), with respect to the acquisition of real property and interests in real property required to conduct a remedial action; (v) The first two sentences of section 105(d) of the Act (42 U.S.C 9605(d)), with respect to petitions for preliminary assessment of a release or threatened release; (vi) Section 105(f) of the Act (42 U.S.C 9605(f)), with respect to consideration of the availability of qualified minority firms in awarding contracts, but excluding that portion of section 105(f) of the Act pertaining to the annual report to Congress; (vii) Section 109 of the Act (42 U.S.C 9609), with respect to the assessment of civil penalties for violations of section 122 of the Act (42 U.S.C 9622) and the granting of awards to individuals providing information; (viii) Section 111(f) of the Act (42 U.S.C 9611(f)), with respect to the designation of officials who may obligate money in the Hazardous Substances Superfund; (ix) Section 113(k) of the Act (42 U.S.C 9613(k)), with respect to establishing an administrative record upon which to base the selection of a response action and identifying and notifying potentially responsible parties; (x) Section 116(a) of the Act (42 U.S.C 9616(a)), with respect to preliminary assessment and site inspection of facilities; (xi) Section 117(a) and (c) of the Act (42 U.S.C 9617(a) and (c)), with respect to public participation in the preparation of any plan for remedial action and explanation of variances from the final remedial action plan for any remedial action or enforcement action, including any settlement or consent decree entered into; (xii) Section 119 of the Act (42 U.S.C 9619), with respect to indemnifying response action contractors; (xiii) Section 121 of the Act (42 U.S.C 9621), with respect to cleanup standards; and (xiv) Section 122 of the Act (42 U.S.C 9622), with respect to settlement, but excluding section 122(b)(1) of the Act (42 U.S.C 9633(b)(1)), related to mixed funding agreements. (24) With respect to facilities and activities under his or her authority, to exercise the authority of the Secretary of ***Agriculture*** pursuant to section 1-102 related to compliance with applicable pollution control standards and section 1-601 of Executive Order 12088, 3 CFR, 1978 Comp., p. 243, to enter into an inter-agency agreement with the United States Environmental Protection Agency, or an administrative consent order or a consent judgment in an appropriate United States District Court with an appropriate State, interstate, or local agency, containing a plan and schedule to achieve and maintain compliance with applicable pollution control standards established pursuant to the following: (i) Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Hazardous and Solid Waste Amendments, and the Federal Facility Compliance Act (42 U.S.C 6901 et seq.); (ii) Federal Water Pollution Prevention and Control Act, as amended (33 U.S.C 1251 et seq.); (iii) Safe Drinking Water Act, as amended (42 U.S.C 300f et seq.); (iv) Clean Air Act, as amended (42 U.S.C 7401 et seq.); (v) Noise Control Act of 1972, as amended (42 U.S.C 4901 et seq.); (vi) Toxic Substances Control Act, as amended, (15 U.S.C 2601 et seq.); (vii) Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C 136 et seq.); and (viii) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C 9601 et seq.). (25) Administer the following provisions of the Farm Security and Rural Investment Act of 2002 with respect to functions otherwise delegated to the Chief, Natural Resources Conservation Service: (i) The equitable relief provisions of section 1613 (7 U.S.C 7996); and (ii) The tracking of benefits under section 1614 (7 U.S.C 7997). (26) Implement the information disclosure authorities of section 1619(b)(3)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C 8791(b)(3)(A)). (27) In coordination with the Director, Office of Advocacy and Outreach, issue receipts under section 2501A(e) of the Food, ***Agriculture***, Conservation, and Trade Act of 1990 (7 U.S.C 2279-1(e)). (28) Authorize employees of the Natural Resources Conservation Service to carry and use firearms for personal protection while conducting field work in remote locations in the performance of their official duties (7 U.S.C 2274a). (29) Conduct activities that assist the Director, Office of Environmental Markets, in developing guidelines regarding the development of environmental services markets. (30) Administer the Terminal Lakes assistance ***program*** authorized by section 2507 of the Farm Security and Rural Investment Act of 2002 (16 U.S.C 3839bb-6). (b) Reservations. The following authorities are reserved to the Under Secretary for Farm Production and Conservation: (1) Executing cooperative agreements and memoranda of understanding for multi-agency cooperation with conservation districts and other districts organized for soil and water conservation within States, territories, possessions, and American Indian Nations. (2) Approving additions to authorized Resource Conservation and Development Projects that designate new project areas in which resource conservation and development ***program*** assistance will be provided, and withdrawing authorization for assistance, pursuant to 16 U.S.C 590a- [[Page 22188]] f; 7 U.S.C 1010-1011; 16 U.S.C 3451-3461. (3) Giving final approval to and transmitting to the Congress watershed work plans that require congressional approval. Sec. 2.44 [Amended] 0 15. Amend Sec. 2.44 in paragraph (a) introductory text by removing the words ``Under Secretary for Farm and Foreign ***Agricultural*** Services'' and adding in their place the words ``Under Secretary for Farm Production and Conservation''. Subpart G--Delegations of Authority by the Assistant to the Secretary for Rural Development 0 16. The heading for subpart G is revised to read as set forth above. Sec. 2.45 [Removed and Reserved] 0 17. Remove and reserve Sec. 2.45 0 18. Amend Sec. 2.47 by adding paragraph (a)(19) to read as follows: Sec. 2.47 Administrator, Rural Utilities Service. (a) \* \* \* (19) Administer the authority under Sec. 746 of Division A of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141), and any successor provisions in subsequent appropriations acts, to issue waivers to the U.S iron and steel requirements for the construction, alteration, maintenance, or repair of a public water or wastewater system. \* \* \* \* \* Subpart J--Delegations of Authority by the Under Secretary for Natural Resources and Environment Sec. 2.61 [Removed and Reserved] 0 19. Remove and reserve Sec. 2.61 Subpart N--Delegations of Authority by the Under Secretary for Marketing and Regulatory ***Programs*** Sec. 2.79 [Amended] 0 20. Amend Sec. 2.79 by removing and reserving paragraph (a)(8)(lxiv). 0 21. Add Subpart U, consisting of Sec. Sec. 2.600 through 2.602, to read as follows: Subpart U--Delegations of Authority by the Under Secretary for Trade and Foreign ***Agricultural*** Affairs Sec. 2.600 Deputy Under Secretary for Trade and Foreign ***Agricultural*** Affairs. 2.601 Administrator, Foreign ***Agricultural*** Service. 2.602 Manager, U.S Codex Office. Sec. 2.600 Deputy Under Secretary for Trade and Foreign ***Agricultural*** Affairs. Pursuant to Sec. 2.26(a), subject to reservations in Sec. 2.26(b), and subject to policy guidance and direction by the Under Secretary, the following delegation of authority is made to the Deputy Under Secretary for Trade and Foreign ***Agricultural*** Affairs, if appointed, to be exercised only during the absence or unavailability of the Under Secretary: Perform all the duties and exercise all the powers which are now or which may hereafter be delegated to the Under Secretary for Trade and Foreign ***Agricultural*** Affairs: Provided, that this authority shall be exercised by the respective Deputy Under Secretary in the order in which he or she has taken office as a Deputy Under Secretary. Sec. 2.601 Administrator, Foreign ***Agricultural*** Service. (a) Delegations. Pursuant to Sec. 2.26(a)(1) and (3), subject to reservations in Sec. 2.26(b), the following delegations of authority are made by the Under Secretary for Trade and Foreign ***Agricultural*** Affairs to the Administrator, Foreign ***Agricultural*** Service: (1) Coordinate the carrying out by Department agencies of their functions involving foreign ***agriculture*** policies and ***programs*** and their operations and activities in foreign areas. Act as liaison on these matters and functions relating to foreign ***agriculture*** between the Department of ***Agriculture*** and the Department of State, the United States Trade Representative, the Trade Policy Committee, the Agency for International Development and other departments, agencies and committees of the U.S Government, foreign governments, the Organization for Economic Cooperation and Development, the European Union, the Food and ***Agriculture*** Organization of the United Nations, the International Bank for Reconstruction and Development, the Inter- American Development Bank, the Organization of American States, and other public and private United States and international organizations, and the contracting parties to the World Trade Organization (WTO). (2) Conduct functions of the Department relating to WTO, the Trade Expansion Act of 1962 (19 U.S.C 1801 et seq.), the Trade Act of 1974 (19 U.S.C 2101 et seq.), the Trade Agreements Act of 1979 (19 U.S.C 2501 et seq.), the Omnibus Trade and Competition Act of 1988 (19 U.S.C 2901 et seq.), the provisions of subtitle B of title III of the North American Free Trade Agreement Implementation Act (except the provisions concerning the end-use certificate system authorized pursuant to section 321(f) of that Act (19 U.S.C 3391(f)) delegated to the Administrator, Farm Service Agency), and other legislation affecting international ***agricultural*** trade including the ***programs*** designed to reduce foreign tariffs and other trade barriers. (3) Conduct studies of worldwide production, trade, marketing, prices, consumption, and other factors affecting exports and imports of U.S ***agricultural*** commodities; obtain information on methods used by other countries to move farm commodities in world trade on a competitive basis for use in the development of ***programs*** of this Department; provide information to domestic producers, the ***agricultural*** trade, the public and other interests; and promote normal commercial markets abroad. This delegation excludes basic and long-range analyses of world conditions and developments affecting supply, demand, and trade in farm products and general economic analyses of the international financial and monetary aspects of ***agricultural*** affairs as assigned to the Under Secretary for Research, Education, and Economics. (4) Administer Departmental ***programs*** concerned with development of foreign markets for ***agricultural*** products of the United States except functions relating to export marketing operations under section 32, of the Act of August 23, 1935, as amended (7 U.S.C 612c), delegated to the Under Secretary for Marketing and Regulatory ***Programs***, and utilization research delegated to the Under Secretary for Research, Education, and Economics. (5) Exercise the Department's functions with respect to the International Coffee Agreement or any such future agreement. (6) Administer functions of the Department relating to import controls including, among others, functions under section 22 of the ***Agricultural*** Adjustment Act of 1933, as amended (7 U.S.C 624), the Harmonized Tariff Schedule of the United States (19 U.S.C 1202), and section 204 of the ***Agricultural*** Act of 1956, as amended (7 U.S.C 1854) but not including those functions reserved to the Secretary under Sec. 2.16(b)(2) and those relating to section 8e of the ***Agricultural*** Adjustment Act of 1933, as amended (7 U.S.C 608e-1), as assigned to the Under Secretary for Marketing and Regulatory ***Programs***. (7) Conduct Department activities to carry out the provisions of the Export Administration Act of 1979, as amended (50 U.S.C Chapter 56). [[Page 22189]] (8) Exercise the Department's responsibilities in connection with international negotiations of the Grains Trade Convention and in the administration of such Convention. (9) Administer responsibilities and functions assigned under the Defense Production Act of 1950, as amended (50 U.S.C App. 2061 et seq.), and title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5195 et seq.), concerning foreign ***agricultural*** intelligence and other foreign ***agricultural*** matters. (10) Conduct economic analyses pertaining to the foreign sugar situation. (11) Exercise the Department's functions with respect to the International Sugar Agreement or any such future agreements. (12) Exercise the Department's responsibilities with respect to tariff-rate quotes for dairy products under chapter 4 of the Harmonized Tariff Schedule of the United States (19 U.S.C 1202). (13) Serve as a focal point for handling quality or weight discrepancy inquiries from foreign buyers of U.S ***agricultural*** commodities to insure that they are investigated and receive a timely response and that reports thereof are made to appropriate parties and government officials in order that corrective action may be taken. (14) Formulate policies and administer ***programs*** and activities authorized by the ***Agricultural*** Trade Act of 1978, as amended (7 U.S.C 5601 et seq.). (15) Formulate policies and administer barter ***programs*** under which ***agricultural*** commodities are exported. (16) Perform functions of the Department in connection with the development and implementation of agreements to finance the sale and exportation of ***agricultural*** commodities on long-term credit or for foreign currencies under the Food for Peace Act (7 U.S.C 1691, 1701 et seq.). (17) Coordinate within the Department activities arising under the Food for Peace Act (except as delegated to the Under Secretary for Research, Education, and Economics in Sec. 2.21(a)(8)), and represent the Department in its relationships in such matters with the Department of State, any interagency committee on the Food for Peace Act, and other departments, agencies, and committees of the Government. (18)-(19) [Reserved] (20) Carry out activities relating to the sale, reduction, or cancellation of debt, as authorized by title VI of the ***Agricultural*** Trade and Development Act of 1954, as amended (7 U.S.C 1738 et seq.). (21) [Reserved] (22) Allocate the ***agricultural*** commodities acquired under price support ***programs*** that have been determined by the FSA Administrator to be available for export among the various export ***programs***. (23) Maintain a worldwide ***agricultural*** intelligence and reporting system, including provision for foreign ***agricultural*** representation abroad to protect and promote U.S ***agricultural*** interests and to acquire information on demand, competition, marketing, and distribution of U.S ***agricultural*** commodities abroad pursuant to title VI of the ***Agricultural*** Act of 1954, as amended (7 U.S.C 1761-1768). (24) Plan and carry out ***programs*** and activities under the foreign market promotion authority of: The Wheat Research and Promotion Act (7 U.S.C 1292 note); the Cotton Research and Promotion Act (7 U.S.C 2101-2118); the Potato Research and Promotion Act (7 U.S.C 2611-2627); the Egg Research and Consumer Information Act of 1974 (7 U.S.C 2701- 2718); the Beef Research and Information Act, as amended (7 U.S.C 2901-2911); the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C 3401-3417); the Floral Research and Consumer Information Act of 1981 (7 U.S.C 4301-4319); subtitle B of title I of the Dairy and Tobacco Adjustment Act of 1983 (7 U.S.C 4501-4514); the Honey Research, Promotion, and Consumer Information Act of 1984, as amended (7 U.S.C 4601-4613); the Pork Promotion, Research, and Consumer Information Act of 1985 (7 U.S.C 4801-4819); the Watermelon Research and Promotion Act, as amended (7 U.S.C 4901-4916); the Pecan Promotion and Research Act of 1990 (7 U.S.C 6001-6013); the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C 6101-6112); the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C 6201-6212); the Soybean Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C 6301-6311); the Fluid Milk Promotion Act of 1990 (7 U.S.C 6401-6417); the Fresh Cut Flowers and Fresh Cut Greens Promotion and Consumer Information Act (7 U.S.C 6801-6814); the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C 7101- 7111); the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C 7411-7425); the Canola and Rapeseed Research, Promotion, and Consumer Information Act (7 U.S.C 7441-7452); the National Kiwifruit Research, Promotion, and Consumer Information Act (7 U.S.C 7461-7473); and, the Popcorn Promotion, Research, and Consumer Information Act (7 U.S.C 7481-7491). This authority includes determining the ***programs*** and activities to be undertaken and assuring that they are coordinated with the overall departmental ***programs*** to develop foreign markets for U.S ***agricultural*** products. (25) Establish and administer regulations relating to foreign travel by employees of the Department. Regulations will include, but not be limited to, obtaining and controlling passports, obtaining visas, coordinating Department of State medical clearances and imposing requirements for itineraries and contacting the Foreign ***Agricultural*** Affairs Officers upon arrival in the Officers' country(ies) of responsibility. (26) Administer the Foreign Service personnel system for the Department in accordance with 22 U.S.C 3922, except as otherwise delegated in Sec. 2.80(a)(1), but including authority to represent the Department of ***Agriculture*** in all interagency consultations and negotiations with the other foreign affairs agencies with respect to joint regulations and authority to approve joint regulations issued by the Department of State relating to the administration of the Foreign Service. (27) Establish and maintain U.S ***Agricultural*** Trade Offices to develop, maintain and expand international markets for U.S ***agricultural*** commodities in accordance with title IV of Public Law No. 95-501 (7 U.S.C 1765a-g). (28) Administer the ***programs*** under section 416(b) of the ***Agricultural*** Act of 1949, as amended (7 U.S.C 1431(b)), relating to the foreign donation of CCC stocks of ***agricultural*** commodities, except as otherwise delegated in Sec. 2.42(a)(43). (29)-(30) [Reserved] (31) Administer ***programs*** under the Food for Progress Act of 1985 (7 U.S.C 1736o), except as otherwise delegated in Sec. 2.42(a)(43). (32) Serve as Department adviser on policies, organizational arrangements, budgets, and actions to accomplish international scientific and technical cooperation in food and ***agriculture***. (33) Administer and direct the Department's ***programs*** in international development, technical assistance, and training carried out under the Foreign Assistance Act, as amended, as requested under such act (22 U.S.C 2151 et seq.). (34) Administer and coordinate assigned Departmental ***programs*** in international research and scientific and [[Page 22190]] technical cooperation with other governmental agencies, land grant universities, international organizations, international ***agricultural*** research centers, and other organizations, institutions, or individuals (7 U.S.C 1624, 3291). (35) Direct and coordinate the Department's participation in scientific and technical matters and exchange agreements between the United States and other countries. (36) Direct and coordinate the Department's work with international organizations and interagency committees concerned with food and ***agricultural*** development ***programs*** (7 U.S.C 2201 and 2202). (37) Coordinate policy formulation for USDA international science and technology ***programs*** concerning international ***agricultural*** research centers, international organizations, and international ***agricultural*** research and extension activities (7 U.S.C 3291). (38) Disseminate, upon request, information on subjects connected with ***agriculture*** which has been acquired by USDA agencies that may be useful to the U.S private sector in expanding foreign markets and investment opportunities through the operation of a Department information center, pursuant to 7 U.S.C 2201. (39) Enter into contracts, grants, cooperative agreements, and cost reimbursable agreements relating to ***agricultural*** research, extension, or teaching activities (7 U.S.C 3318, 3319a). (40) Determine amounts reimbursable for indirect costs under international ***agricultural*** ***programs*** and agreements (7 U.S.C 3319). (41) Administer the Cochran Fellowship ***Program*** (7 U.S.C 3293). (42) Determine quantity trigger levels and impose additional duties under the special safeguard measures in accordance with U.S note 2 to subchapter IV of chapter 99 of the Harmonized Tariff Schedule of the United States (19 U.S.C 1202). (43) Implement provisions of the Trade Act of 1974 regarding adjustment assistance for farmers. (19 U.S.C 2401-2401g). (44) Implement section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C 1736o-1). (45) Support remote sensing activities of the Department and research with satellite imagery including: (i) Providing liaison with U.S space ***programs***; (ii) Providing administrative management of the USDA Remote Sensing Archive and the ***transfer*** of satellite imagery to all USDA agencies; (iii) Coordinating all agency satellite imagery data needs; and (iv) Arranging for acquisition, and preparation of imagery for use to the extent of existing capabilities. (46) [Reserved] (47) Implement section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C 1726c) regarding local and regional food aid procurement projects. (48) Administer the Borlaug International ***Agricultural*** Science and Technology Fellowship ***Program*** (7 U.S.C 3319j). (49) [Reserved] (50) Administer the following provisions of the ***Agricultural*** Act of 2014, Public Law 113-79: (i) Section 12314 relating to the Pima ***Agriculture*** Cotton Trust Fund (7 U.S.C 2101 note), in coordination with the Administrator, Farm Service Agency. (ii) Section 12315 relating to the ***Agriculture*** Wool Apparel Manufacturers Trust Fund (7 U.S.C 7101 note), in coordination with the Administrator, Farm Service Agency. (b) [Reserved] Sec. 2.602 Manager, U.S Codex Office. (a) Delegations. Pursuant to Sec. 2.26(a)(5), subject to reservations in Sec. 2.26(b), the following delegations of authority are made by the Under Secretary for Trade and Foreign ***Agricultural*** Affairs. (i) Inform the public of the sanitary and phytosanitary standard- setting activities of the Codex Alimentarius Commission (19 U.S.C 2578; Pres. Proc. 6780). (ii) Enter into agreements with organizations, institutions or individuals throughout the world to conduct activities related to the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission, including international outreach and education, in order to promote and support the development of a viable and sustainable global ***agricultural*** system; antihunger and improved international nutrition efforts; and increased quantity, quality, and availability of food (7 U.S.C 3291). (iii) Coordinate with institutions and other persons throughout the world performing ***agricultural*** and related research, extension, and teaching activities by exchanging research materials and results with such institutions or persons or by conducting with such institutions or persons joint or coordinated research, extension, or teaching activities that are related to the sanitary and phytosanitary standard- setting activities of the Codex Alimentarius Commission and that address problems of significance to food and ***agriculture*** in the United States (7 U.S.C 3291). (iv) Work with transitional and more advanced countries in food, ***agricultural***, and related research, development, teaching, and extension activities related to the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (7 U.S.C 3291). (v) Enter into contracts, grants, cooperative agreements, and cost reimbursable agreements to carry out the Department's ***agricultural*** research, extension, or teaching activities related to the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (7 U.S.C 3318, 3319a). (vi) Determine amounts reimbursable for indirect costs under international ***agricultural*** ***programs*** and agreements (7 U.S.C 3319). (vii) Coordinate policy formulation for USDA international science and technology ***programs*** concerning the sanitary and phytosanitary standard-setting activities of the Codex Alimentarius Commission (7 U.S.C 3291). (b) [Reserved] PART 1409--[REMOVED AND RESERVED] 0 22. Remove and reserve part 1409. Dated: May 7, 2018. Sonny Perdue, Secretary of ***Agriculture***. [FR Doc. 2018-10133 Filed 5-11-18; 8:45 am] BILLING CODE 3410-90-P

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[***FEDERAL REGISTER: 2018 Rates Charged for AMS Services Pages 22239 - 22243 [FR DOC # 2018-10132]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SB5-CCG1-F0YC-N0X5-00000-00&context=1516831)

Impact News Service

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**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** ***Agricultural*** Marketing Service [Document No. AMS-LPS-18-0020] 2018 Rates Charged for AMS Services AGENCY: ***Agricultural*** Marketing Service, USDA. ACTION: Notice. ----------------------------------------------------------------------- SUMMARY: The ***Agricultural*** Marketing Service (AMS) is announcing the 2018 rates it will charge for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of ***agricultural*** commodities including meat and poultry, fruits and vegetables, eggs, dairy products, and cotton and tobacco. The 2018 regular, overtime, holiday, and laboratory services rates will be applied at the beginning of the crop ***year***, fiscal ***year*** or as required by law depending on the commodity. Other starting dates are added to this notice based on cotton industry practices. This action establishes the rates for user-funded ***programs*** based on costs incurred by AMS.

This ***year*** the majority of AMS user fee rates will remain unchanged, with the exception of increases for meat, poultry and egg grading and the hourly rate for AMS's Laboratory Approval Service. DATES: May 15, 2018. FOR FURTHER INFORMATION CONTACT: Charles Parrott, AMS, U.S Department of ***Agriculture***, Room 3070-S, 1400 Independence Ave. SW, Washington, DC 20250; telephone (202) 260-9144, fax (202) 692-0313, email [*charles.parrott@ams.usda.gov*](mailto:charles.parrott@ams.usda.gov) SUPPLEMENTARY INFORMATION: The ***Agricultural*** Marketing Act of 1946, as amended, (AMA) (7 U.S.C 1621-1627), provides for the collection of fees to cover costs of various inspection, grading, certification or auditing services covering many ***agricultural*** commodities and products. The AMA also provides for the recovery of costs incurred in providing laboratory services. The Cotton Statistics and Estimates Act (7 U.S.C 471-476) and the U.S Cotton Standards Act (7 U.S.C 51-65) provide for classification of cotton and development of cotton standards materials necessary for cotton classification. The Cotton Futures Act (7 U.S.C 15b) provides for futures certification services and the Tobacco Inspection Act (7 U.S.C 511-511s) provides for tobacco inspection and grading. These Acts also provide for the recovery of costs associated with these services. On November 13, 2014, the Department of ***Agriculture*** (Department) published in the Federal Register a final rule that established standardized formulas for calculating the fees charged by AMS user- funded ***programs*** (79 FR 67313). Every ***year*** since then, the Department has published in the Federal Register a notice announcing the rates for its user-funded ***programs***. This notice announces the 2018 fee rates for voluntary grading, inspection, certification, auditing, and laboratory services for a variety of ***agricultural*** commodities including meat and poultry, fruits and vegetables, eggs, dairy products, and cotton and tobacco on a per- hour rate and, in some instances, the equivalent per-unit cost. The per-unit cost is provided to facilitate understanding of the costs associated with the service to the industries that historically used unit-cost basis for ***payment***. The fee rates will be effective at the beginning of the fiscal ***year***, crop ***year***, or as required by specific laws. The cotton futures-related services effective date has been changed to August 1 to allow for cotton contracts to expire before starting a new fee rate. The rates reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits, and, if applicable, travel and some operating costs. Indirect or overhead costs include the cost of ***Program*** and Agency activities supporting the services provided to the industry. The formula used to calculate these rates also includes operating reserve, which may add to or draw upon the existing operating reserves. These services include the grading, inspection or certification of quality factors in accordance with established U.S Grade Standards or other specifications; audits or accreditation according to International Organization for Standardization (ISO) standards and/or Hazard Analysis and Critical Control Point (HACCP) principles; and other marketing claims. The quality grades serve as a basis for market prices and reflect the value of ***agricultural*** commodities to both producers and consumers. AMS' grading and certification, audit and accreditation, plant process and equipment verification, and laboratory approval services are voluntary tools paid for by the users on a fee- for-service basis. The ***agriculture*** industry can use these tools to promote and communicate the quality of ***agricultural*** commodities to consumers. Laboratory services are provided for analytic testing, including but not limited to chemical, microbiological, biomolecular, and physical analyses. AMS is required by statute to recover the costs associated with these services. In recent ***years***, many buyers have begun to specifically require that their producers be certified to a Global Food Safety Initiative (GFSI) benchmarked scheme. At the request of industry, AMS is starting a new voluntary ***program*** that provides GFSI's recognition of the USDA GAP audit verification ***program***. This voluntary ***program*** will allow producers to use AMS' trusted and proven services to gain wider market access. Accordingly, AMS is including its voluntary GFSI service audit fee in this notice. The fee includes the fixed cost to maintain GFSI recognition. As required by the Cotton Statistics and Estimates Act (7 U.S.C 471-476), consultations regarding the establishment of the fee for cotton classification with U.S cotton industry representatives are held in the beginning of the ***year*** when most industry stakeholder meetings take place. Representatives of all segments of the cotton industry, including producers, ginners, bale storage facility operators, merchants, cooperatives, and textile manufacturers were informed of the fees during various industry-sponsored forums. Rates Calculations AMS calculated the rate for services, per hour per ***program*** employee, using the following formulas (a per-unit base is included for ***programs*** that charge for services on a per-unit basis): [[Page 22240]] (1) Regular rate. The total AMS grading, inspection, certification, classification, audit, or laboratory service ***program*** personnel direct pay divided by direct hours for the previous ***year***, which is then multiplied by the next ***year***'s percentage of cost of living increase, plus the benefits rate, plus the operating rate, plus the allowance for bad debt rate. If applicable, travel expenses may also be added to the cost of providing the service. (2) Overtime rate. The total AMS grading, inspection, certification, classification, audit, or laboratory service ***program*** personnel direct pay divided by direct hours, which is then multiplied by the next ***year***'s percentage of cost of living increase and then multiplied by 1.5, plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service. (3) Holiday rate. The total AMS grading, inspection, certification, classification, audit, or laboratory service ***program*** personnel direct pay divided by direct hours, which is then multiplied by the next ***year***'s percentage of cost of living increase and then multiplied by 2, plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service. AMS adjusts the rates to cover all of its expenses and to provide for reasonable operating reserves. To avoid an undue burden on industry operations in these cases, AMS started to phase in some of the increases over a multi-***year*** period. AMS continued this process and reassessed whether the fee rates and phase-in period were appropriate based on the formula and established operating reserve. Fees are being adjusted accordingly. All rates are per-hour except when a per-unit cost is noted. The specific amounts in each rate calculation are available upon request from the specific AMS ***program***. 2018 Rates -------------------------------------------------------------------------------------------------------------------------------------------------------- Includes Regular Overtime Holiday travel costs Start date in rate -------------------------------------------------------------------------------------------------------------------------------------------------------- Cotton Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 27--Cotton Classification Under Cotton Futures Legislation Subpart A--Regulations; Sec. Sec. 27.80-27.90 Costs of Classifications and Micronaire -------------------------------------------------------------------------------------------------------------------------------------------------------- Cotton Standardization -------------------------------------------------------------------------------------------------------------------------------------------------------- Certification for Futures Contract (Grading $4.25/bale X August 1, 2018. services for samples submitted by CCC-licensed samplers). -------------------------------------------------------------------------------------------------------------------------------------------------------- ***Transfer*** of Certification Data to New Owner or $0.20/bale or $5.00 per page minimum X August 1, 2018. Certified Warehouse (Electronic ***transfer*** performed). -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 28--Cotton Classing, Testing, and Standards Subpart A--Regulations Under the United States Cotton Standards Act; Sec. Sec. 28.115-28.126 Fees and Costs...................................... Subpart D--Cotton Classification and Market News Service for Producers; Sec. 28.909 Costs; Sec. 28.910 Classification of Samples and Issuance of Classification Data; Sec. 28.911 Review Classification. -------------------------------------------------------------------------------------------------------------------------------------------------------- Cotton Grading -------------------------------------------------------------------------------------------------------------------------------------------------------- Form 1: Grading Services for Producers $2.30/bale X July 1, 2018. (submitted by licensed sampler). -------------------------------------------------------------------------------------------------------------------------------------------------------- Form 1 Review (new sample submitted by licensed $2.30/bale X July 1, 2018. sampler). -------------------------------------------------------------------------------------------------------------------------------------------------------- Form A Determinations (sample submitted by $2.30/bale X July 1, 2018. licensed warehouse). -------------------------------------------------------------------------------------------------------------------------------------------------------- Form C Determinations (sample submitted by non- $2.30/bale ............... July 1, 2018. licensed entity; bale sampled under USDA supervision). -------------------------------------------------------------------------------------------------------------------------------------------------------- Form D Determination (sample submitted by owner $2.30/bale X July 1, 2018. or agent; classification represents sample only). -------------------------------------------------------------------------------------------------------------------------------------------------------- Foreign Growth Classification (sample of $6.00/sample X August 1, 2018. foreign growth cotton submitted by owner or agent; classification represents sample only). -------------------------------------------------------------------------------------------------------------------------------------------------------- Arbitration (comparison of a sample to the $6.00/sample X August 1, 2018. official standards or a sample type). -------------------------------------------------------------------------------------------------------------------------------------------------------- Practical Cotton Classing Exam (for non-USDA Exam: $150/applicant X July 1, 2018. employees). Reexamination: $130/applicant -------------------------------------------------------------------------------------------------------------------------------------------------------- Special Sample Handling (return of samples per $0.50/sample X July 1, 2018. request). -------------------------------------------------------------------------------------------------------------------------------------------------------- [[Page 22241]] Electronic Copy of Classification Record....... $0.05/bale ($5.00/month minimum with any X July 1, 2018. records received) -------------------------------------------------------------------------------------------------------------------------------------------------------- Form A Rewrite (reissuance of Form 1, Form A, $0.15/bale or $5.00/page minimum X August 1, 2018. or Futures Certification data or combination). -------------------------------------------------------------------------------------------------------------------------------------------------------- Form R (reissuance of Form 1 classification $0.15/bale or $5.00/page minimum X July 1, 2018. only). -------------------------------------------------------------------------------------------------------------------------------------------------------- International Instrument Level Assessment...... $4.00/sample X July 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Dairy Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 58--Grading and Inspection, General Specifications for Approved Plants and Standards for Grades of Dairy Products Subpart A--Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products; Sec. Sec. 58.38-58.46 Fees and Charges. -------------------------------------------------------------------------------------------------------------------------------------------------------- Continuous Resident Grading Service............ $76.00 $90.92 $107.24 X Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Non-resident and Intermittent Grading Service; 82.00 96.76 116.64 X Oct 1, 2018. State Graders; Equipment Review. -------------------------------------------------------------------------------------------------------------------------------------------------------- Non-resident Services 6 p.m -6 a.m (10 percent 90.20 106.44 128.32 X Oct 1, 2018. night differential). -------------------------------------------------------------------------------------------------------------------------------------------------------- Export Certificate Services.................... 82.00 N/A N/A ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Special Handling............................... 41.00 N/A N/A ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Fax Charge..................................... 4.00 N/A N/A ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Derogation Application......................... 123.00 N/A N/A ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Specialty Crops Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 51--Fresh Fruits, Vegetables and Other Products (Inspection, Certification, and Standards Subpart A--Regulations; Sec. Sec. 51.37-51.44 Schedule of Fees and Charges at Destination Markets; Sec. 51.45 Schedule of Fees and Charges at Shipping Point Areas. -------------------------------------------------------------------------------------------------------------------------------------------------------- Quality and Condition Inspections for Whole $191.00 per lot ............... Oct 1, 2018. Lots. -------------------------------------------------------------------------------------------------------------------------------------------------------- Quality and Condition Half Lot or Condition- $159.00 per lot ............... Oct 1, 2018. Only Inspections for Whole Lots. -------------------------------------------------------------------------------------------------------------------------------------------------------- Condition--Half Lot............................ $146.00 per lot ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Quality and Condition or Condition-Only $87.00 per lot ............... Oct 1, 2018. Inspections for Additional Lots of the Same Product. -------------------------------------------------------------------------------------------------------------------------------------------------------- Dockside Inspections--Each package weighing < $0.044 per pkg. ............... Oct 1, 2018. 30 lbs.. -------------------------------------------------------------------------------------------------------------------------------------------------------- Dockside Inspections--Each package weighing > $0.068 per pkg. ............... Oct 1, 2018. 30 lbs.. -------------------------------------------------------------------------------------------------------------------------------------------------------- Charge per Individual Product for Dockside $174.00 per lot ............... Oct 1, 2018. Inspection. -------------------------------------------------------------------------------------------------------------------------------------------------------- Charge per Each Additional Lot of the Same $79.00 per lot ............... Oct 1, 2018. Product. -------------------------------------------------------------------------------------------------------------------------------------------------------- Inspections for All Hourly Work................ $85.00 $112.00 $148.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Audit Services--Federal........................ $108.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Audit Services--State.......................... $108.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- GFSI Certification Fee......................... $250 per audit ............... Oct 1, 20 -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 52--Processed Fruits and Vegetables, Processed Products Thereof, and Other Processed Food Products Subpart--Regulations Governing Inspection and Certification; Sec. Sec. 52.41-52.51 Fees and Charges.............................................. -------------------------------------------------------------------------------------------------------------------------------------------------------- Lot Inspections................................ $75.00 $95.00 $116.00 X Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- In-plant Inspections Under Annual Contract 72.00 92.00 112.00 X Oct 1, 2018. (***year***-round). -------------------------------------------------------------------------------------------------------------------------------------------------------- [[Page 22242]] Additional Graders (in-plant) or Less Than ***Year***- 83.00 106.00 128.00 X Oct 1, 2018. Round. -------------------------------------------------------------------------------------------------------------------------------------------------------- Audit Services--Federal........................ $108.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Audit Services--State.......................... $108.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- GFSI Certification Fee......................... $250 per audit ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Meat and Livestock Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 54--Meats, Prepared Meats, and Meat Products (Grading, Certification, and Standards) Subpart A--Regulations; Sec. Sec. 54.27-54.28 Charges for Service................................................................................ -------------------------------------------------------------------------------------------------------------------------------------------------------- Commitment Grading............................. $74.00 $91.00 $109.00 X Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Non-commitment Grading......................... 99.00 115.00 134.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Night Differential (6 p.m -6 a.m )............. 81.00 100.00 120.00 X Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 62--Livestock, Meat and Other ***Agricultural*** Commodities (Quality Systems Verification ***Programs***) Subpart A--Quality Systems Verification Definitions; Sec. 62.300 Fees and Other Costs for Service................................................. -------------------------------------------------------------------------------------------------------------------------------------------------------- Auditing Activities............................ $108.00 ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Poultry Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 56--Voluntary Grading of Shell Eggs Subpart A--Grading of Shell Eggs; Sec. Sec. 56.45-56.54 Fees and Charges......................................................................... 7 CFR Part 70--Voluntary Grading of Poultry and Rabbit Products Subpart A--Grading of Poultry and Rabbit Products; Sec. Sec. 70.70-70.78 Fees and Charges........................................................ -------------------------------------------------------------------------------------------------------------------------------------------------------- Resident Service (in-plant).................... \1\ $52.00 \1\ $69.00 \1\ $85.00 X Oct 1, 2018. Resident, Night Differential (6 p.m -6 a.m )... \1\ 55.00 \1\ 77.00 \1\ 95.00 X Oct 1, 2018. Resident, Sunday Differential.................. \1\ 64.00 \1\ 86.00 N/A X Oct 1, 2018. Resident, Sunday and Night Differential........ \1\ 71.00 \1\ 96.00 N/A X Oct 1, 2018. Fee Service (non-scheduled).................... 90.00 111.00 134.00 ............... Oct 1, 2018. Audit Service.................................. $108.00 .............. .............. ............... Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Science and Technology Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 91--Services and General Information (Science and Technology) Subpart I--Fees and Charges; Sec. Sec. 91.37-91.45 .............................................................................................. -------------------------------------------------------------------------------------------------------------------------------------------------------- Laboratory Testing Services.................... $88.00 $104.00 $120.00 ............... Oct 1, 2018. Laboratory Approval Services \3\............... 188.00 212.00 236.00 X Jan 1, 2019. -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 75--Regulations for Inspection and Certification of Quality of ***Agricultural*** and Vegetable Seeds Sec. 75.41 General................................................................................................................................ -------------------------------------------------------------------------------------------------------------------------------------------------------- Laboratory Testing............................. $58.00 $86.00 $115.00 X Oct 1, 2018. -------------------------------------------------------------------------------------------------------------------------------------------------------- Administrative Fee............................. $14.50 per .............. .............. ............... Oct 1, 2018. certificate -------------------------------------------------------------------------------------------------------------------------------------------------------- Tobacco Fees -------------------------------------------------------------------------------------------------------------------------------------------------------- 7 CFR Part 29--Tobacco Inspection Subpart A--Policy Statement and Regulations Governing the Extension of Tobacco Inspection and Price Support Services to New Markets and to Additional Sales on Designated Markets;. Subpart B--Regulations; Sec. Sec. 29.123-29.129 Fees and Charges; Sec. 29.500 Fees and charges for inspection and acceptance of imported tobacco. Subpart F--Policy Statement and Regulations Governing the Identification and Certification of Non-quota Tobacco Produced and Marketed in Quota Area; Sec. 29.9251 Fees and Charges. -------------------------------------------------------------------------------------------------------------------------------------------------------- Domestic Permissive Inspection and $55.00 $64.00 $72.00 ............... July 1, 2018. Certification (re-grading of domestic tobacco for processing plants, retesting of imported tobacco, and grading tobacco for research stations). -------------------------------------------------------------------------------------------------------------------------------------------------------- [[Page 22243]] Export Permissive Inspection and Certification $0.0025/pound X July 1, 2018. (grading of domestic tobacco for manufacturers and dealers for duty drawback consideration). -------------------------------------------------------------------------------------------------------------------------------------------------------- Grading for Risk Management Agency (for Tobacco $0.015/pound X July 1, 2018. Crop Insurance Quality Adjustment determinations). -------------------------------------------------------------------------------------------------------------------------------------------------------- Pesticide Test Sampling (collection of $0.0065/kg or $0.0029/pound X July 1, 2018. certified tobacco sample and shipment to AMS National Science Laboratory for testing). -------------------------------------------------------------------------------------------------------------------------------------------------------- Pesticide Retest Sampling (collection of $115.00/sample and $55.00/hour X July 1, 2018. certified tobacco sample from a previously sampled lot for re-testing at the AMS National Science Laboratory; fee includes shipping). -------------------------------------------------------------------------------------------------------------------------------------------------------- Standards Course (training by USDA-certified $1,250.00/person ............... July 1, 2018. instructor on tobacco grading procedures). -------------------------------------------------------------------------------------------------------------------------------------------------------- Import Inspection and Certification (grading of $0.0170/kg or $0.0080/pound X July 1, 2018. imported tobacco for manufacturers and dealers). -------------------------------------------------------------------------------------------------------------------------------------------------------- \1\ Administrative charges are applied in addition to hourly rates for resident service as specified in Part 56, Subpart A, Sec. 56.52(a)(4); Part 56, Subpart A, Sec. 56.54(a)(2); Part 70, Subpart A, Sec. 70.76(a)(2); Part 70, Subpart A, Sec. 70.77(a)(4) and Part 70, Subpart A, Sec. 70.77(a)(5). \3\ Travel costs outside the United States will be added to the fee, if applicable. Authority: 7 U.S.C 15b; 7 U.S.C 473a-b; 7 U.S.C 55 and 61; 7 U.S.C 51-65; 7 U.S.C 471-476; 7 U.S.C 511, 511s; and 7 U.S.C 1621-1627. Dated: May 8, 2018. Bruce Summers, Acting Administrator. [FR Doc. 2018-10132 Filed 5-11-18; 8:45 am] BILLING CODE 3410-02-P

**Load-Date:** May 15, 2018

**End of Document**



[***Carroll County TN FSA***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SJJ-GP51-F0YC-N14C-00000-00&context=1516831)

Impact News Service

October 23, 2018 Tuesday

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**Length:** 879 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

2019 Acreage Reporting Dates Carroll County FSA Office

Address: 630 High Street Huntingdon, TN 38344

Phone: 731-209-4153 Fax: 1-855-494-1760 Hours: 7:30 am 4:30 pm

County Committee: Grant Chandler, Chairman Philip Moore, Vice-Chair Ricky Long, Member Martha Gooch, Advisor

County Executive Director Dione K McDaniel

Loan Officer: Anita Mullins

***Program*** Technicians: Sheila Pinson Sandra Wilson Telena Vinson Teresa Collins Haley Price- Temp

Next Regular COC Meeting:  November 14, 2018 Please check with the County Office for meeting status:

In order to comply with FSA ***program*** eligibility requirements, all producers are encouraged to visit the Carroll County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for Carroll County:

Nov. 15, 2018        Grass certification for pasture and forage.

Dec. 15, 2018        Wheat

The following exceptions apply to the above acreage reporting dates:

    If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 ***calendar*** days after planting is completed.     If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 ***calendars*** days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.     If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th. Noninsured Crop Disaster Assistance ***Program*** (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 ***calendar*** days before grazing or harvesting of the crop begins. For questions regarding crop certification and crop loss reports, please contact the Carroll County FSA office at 731-209-4153.

USDA Market Facilitation ***Program***

USDA launched the trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities can now sign up for the Market Facilitation ***Program*** (MFP).

USDA’s Farm Service Agency (FSA) will administer MFP to provide ***payments*** to corn, cotton, dairy, hog, sorghum, soybean, wheat, shelled almond, and fresh sweet cherry producers. An announcement about further ***payments*** will be made in the coming months, if warranted.

The sign-up period for MFP runs through Jan. 15, 2019, with information and instructions provided at [*www.farmers.gov/mfp*](http://www.farmers.gov/mfp). MFP provides ***payments*** to producers of eligible commodities who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Eligible producers should apply after harvest is complete, as ***payments*** will only be issued once production is reported.

A ***payment*** will be issued on 50 percent of the producer’s total production, multiplied by the MFP rate for a specific commodity. A second ***payment*** period, if warranted, will be determined by the USDA. For a list of initial MFP ***payments*** rates, view the MFP Fact Sheet.

MFP ***payments*** are limited to a combined $125,000 for corn, cotton, sorghum, soybeans, wheat, shelled almonds, and fresh sweet cherries capped per person or legal entity. MFP ***payments*** are also limited to a combined $125,000 for dairy and hog producers. Applicants must also have an average adjusted gross income for tax ***years*** 2014, 2015, and 2016 of less than $900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations. FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency’s (FSA) Direct Farm Ownership loans are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase ***agricultural*** productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant’s needs, there are three types of Direct Farm Ownership Loans: regular, down ***payment*** and joint financing. FSA also offers a Direct Farm Ownership Microloan option for smaller financial needs up to $50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State ***program*** or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is $300,000 and the repayment period for the loan is up to 40 ***years***.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three ***years*** out of the 10 ***years*** prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

**Load-Date:** October 31, 2018

**End of Document**



[***Register of Commission documents:DRAFT REPORT on the Future of Food and Farming Document date: 2018-02-20 AGRI\_PR(2018)618154 Draft reports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RRR-NPX1-F0YC-N2J3-00000-00&context=1516831)

Impact News Service

February 26, 2018 Monday

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**Length:** 4143 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

PR\1146033EN.docx PE618.154vv01-00 EN United in diversity EN European Parliament 2014-2019 Committee on ***Agriculture*** and Rural Development 2018/0000(INI) 20.2.2018 DRAFT REPORT on the future of food and farming (2018/0000(INI)) Committee on ***Agriculture*** and Rural Development Rapporteur: Herbert Dorfmann PE618.154vv01-00 2/11 PR\1146033EN.docx EN PR\_INI CONTENTS Page MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION ............................................ 3 EXPLANATORY STATEMENT .............................................................................................. 9 PR\1146033EN.docx 3/11 PE618.154vv01-00 EN MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION on the future of food and farming (2018/0000(INI)) The European Parliament, – having regard to the Commission communication of 29 November 2017 entitled ‘The Future of Food and Farming’ (COM(2017)0713), – having regard to Articles 38 and 39 of the Treaty on the Functioning of the European Union (TFEU) establishing the common ***agricultural*** policy and its objectives, – having regard to Regulation (EC) No 2017/2393 of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common ***agricultural*** policy, (EU) No 1307/2013 establishing rules for direct ***payments*** to farmers under support schemes within the framework of the common ***agricultural*** policy, (EU) No 1308/2013 establishing a common organisation of the markets in ***agricultural*** products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material1 (‘omnibus regulation’), – having regard to the European Court of Auditors Special reports Nos 16/2017 entitled ‘Rural Development ***Programming***: less complexity and more focus on results needed’ and 21/2017 entitled ‘Greening: a more complex income support scheme, not yet environmentally effective’, – having regard to the Commission reflexion paper of 28 June 2017 on the future of EU finances (COM(2017)0358), – having regard to the Cork 2.0 Declaration 2016, ‘A Better Life in Rural Areas’, issued at the European Conference on Rural Development, – having regard to the opinion of the European Economic and Social Committee on ‘A possible reshaping of the Common ***Agricultural*** Policy’2, – having regard to the opinion of the European Committee of the Regions entitled ‘The CAP after 2020’3, – having regard to the UN Sustainable Development Goals (SDGs), most of which are relevant to the common ***agricultural*** policy, – having regard to the Paris Agreement at the 2015 UN Climate Change Conference (COP21), and notably the commitments undertaken by the European Union as ‘nationally determined contributions’ (NDCs) in order to achieve the agreement’s 1 OJ L 350, 29.12.2017 p. 15. 2 OJ C 288, 31.8.2017, p. 10. 3 OJ C 342, 12.10.2017, p. 10. PE618.154vv01-00 4/11 PR\1146033EN.docx EN worldwide goals, – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on ***Agriculture*** and Rural Development (A8-0000/2018), A. whereas the Commission’s communication on the Future of Food and Farming acknowledges that the common ***agricultural*** policy (CAP) is the most integrated policy in the EU and is enabling the EU farming sector to respond to citizens’ demands regarding not only food security, safety, quality and sustainability, but also environmental care, climate change action and high animal welfare standards; B. whereas the European Union’s overarching objective of multifunctional ***agriculture***, driven by family farms, remains key to delivering the positive externalities and public goods that European citizens demand; C. whereas over the ***years*** the CAP has undergone regular re-***programming*** in line with new challenges, but another step in this continuous process of modernisation and simplification, building on previous reforms, is now necessary; D. whereas the new delivery model (NDM) is at the core of the Commission’s communication on the Future of Food and Farming, and is to be welcomed, provided that it ensures genuine simplification, not only at EU level but also at Member State and regional level, and flexibility for farmers, without adding new constraints on Member States and thus a new layer of complexity; E. whereas the CAP must play an important role in overcoming stagnation and volatility of farm incomes which, despite the concentration and intensification of production and increasing productivity, are still lower than in the rest of the economy; F. whereas over the last few ***years*** farmers have been confronted with increasing price volatility, which has reflected price fluctuations on global markets and uncertainty caused by macroeconomic developments, external policies, sanitary crises and more frequent extreme weather events in the EU; G. whereas it is essential to ensure a fair standard of living across regions and Member States, affordable prices for citizens and consumers, and access to quality food and healthy diets, while delivering on the commitments for environmental care, climate action, and animal and plant health and welfare; H. whereas there is a need for an updated and fairer system of ***payments***, as in many Member States the current system of entitlements is based on historic benchmarks which are now almost 20 ***years*** old and which constitute an obstacle to generational renewal and hinder young farmers’ access to farmland, as new entrants do not possess entitlements and are thus at a disadvantage; I. whereas the emergence of new challenges, such as increasing global trade, is necessitating fair and sustainable conditions for the global exchange of goods and services, within the framework of the WTO and in accordance with existing EU social, PR\1146033EN.docx 5/11 PE618.154vv01-00 EN economic and environmental standards, which should be promoted; J. whereas while the focus on research and development for both product and process innovation is to be welcomed, more must be done to translate the results of research into farming practice, facilitated by EU-wide ***agricultural*** extension services; K. whereas the ***agriculture*** and food sector must be incentivised to continue to contribute to the environmental care and climate action objectives of the EU set out in international agreements such as the Paris Agreement and the UN SDGs; L. whereas the European Court of Auditors has underlined the fact that the green ***payments*** introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and fail to significantly enhance the CAP’s environmental and climate performance; M. whereas the objectives of the Cork 2.0 Declaration for a Better Life in Rural Areas stipulate vibrant rural areas, multi-functionality, biodiversity in and outside ***agriculture***, rare animal breeds and conservation crops, as well as organic ***agriculture***, less-favoured areas and commitments in the context of Natura 2000; N. whereas it is essential to ensure fair competition within the single market within the sector and with other players in the food chain, both up and downstream, and to further strengthen incentives to prevent crises with active management tools to be deployed at sectoral level and by public authorities; O. whereas the new challenges for European ***agriculture*** within the EU’s political priorities, as stated in the Commission’s reflection paper on the future of EU finances, require the next multiannual financial framework (MFF) to provide sufficient public funds to cover both existing and new challenges; P. whereas any changes to the current CAP must be introduced in such a way as to ensure stability for the sector and security of planning for farmers by means of adequate transition periods and measures; Q. whereas Parliament must play a comprehensive role in setting a clear policy framework to maintain common ambition at European level and democratic debate on the strategic issues which have an impact on the everyday lives of all citizens when it comes to the use of natural resources, the quality of our food and the modernisation of ***agricultural*** practices; A new relationship between the European Union, the Member States, regions and farmers 1. Welcomes the intention to simplify and modernise the CAP, but emphasises that the integrity of the single market and a truly common policy must be the overriding priorities of reform; 2. Points out that even the flexibility that Member States currently enjoy in defining basic rules may risk distorting competition within the single market and granting unequal access to support for famers in different Member States or even in different regions; PE618.154vv01-00 6/11 PR\1146033EN.docx EN 3. Considers that subsidiarity for Member States should only be granted within a common set of rules and tools agreed at EU level as part of a uniform approach to all ***programming*** efforts and eligibility criteria, should cover both of the CAP’s pillars and ensure, in particular, a European approach in Pillar I and thus a level playing field; 4. Reminds the Commission of the need to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU’s regions when implementing policies; 5. Welcomes the efforts of the Commission to establish ***programme*** design, implementation and control of an output-based approach in order to foster performance rather than compliance, while ensuring adequate monitoring via clearly defined, solid and measurable indicators at EU level, including an appropriate system of quality control and penalties; 6. Calls on the Commission to ensure that financial and performance control and audit functions are performed to the same standard and under the same criteria across all Member States, irrespective of enhanced flexibility for Member States in ***programme*** design and management, and with a view, in particular, to ensuring a timely disbursement of funds across Member States to all eligible famers; 7. Calls on the Commission to grant more flexibility to Member States and regions within the framework of the ***agricultural*** de minimis rules; A smart and efficient sector – delivering for citizens, rural areas and the environment 8. Considers it necessary to maintain the current two-pillared architecture, particularly Pillar I, which is dedicated to income support for farmers; considers it necessary, at the same time, to compensate for the provision of public goods on the basis of uniform criteria, while allowing Member States to take specific approaches to reflect local conditions; 9. Considers that the current CAP architecture can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be maintained in the next MFF at at least the current level in order to achieve the ambitions of a revised and efficient CAP beyond 2020; 10. Believes that more targeted support for family farms is necessary and can be achieved by introducing a compulsory higher support rate for small farms; considers, moreover, that support for larger farms should be digressive, reflecting economies of scale, with the possibility for capping to be decided by the Member States; 11. Underlines the necessity of identifying the key elements of a transparent and objective system of penalties and incentives for determining farmers’ eligibility for public funding, which should consist of voluntary and mandatory measures; 12. Calls for the existing system for calculating direct ***payments*** in Pillar I, which is often based on historic entitlements, to be replaced by an EU-wide uniform method of calculating ***payments***, in order to make the system simpler and more transparent; PR\1146033EN.docx 7/11 PE618.154vv01-00 EN 13. Stresses the need for a fair distribution of direct ***payments*** between Member States, which must take into account socio-economic differences, different production costs and the amounts received by Member States under Pillar II; 14. Believes that, provided that a level playing field in the single market can be guaranteed, voluntary coupled support (VCS) ***payments*** should be maintained, as a tool to counteract specific difficulties, particularly those arising from the structural competitive disadvantage of less-favoured and mountainous regions, as well as those which are more temporary in nature and arise from a shift away from the old entitlement scheme, for example; 15. Recalls that generational renewal is a challenge faced by famers in many Member States and that each national strategy must therefore address this issue through a comprehensive approach, including top-ups in Pillar I and targeted measures in Pillar II, as well as by means of new financial instruments and national measures, in order to incentivise famers to pass on their farming operations; 16. Underlines the importance of rural development, including the LEADER initiative, in supporting multi-functional ***agriculture*** and in fostering additional entrepreneurial activities and opportunities, in order to generate income from agri-tourism, and to secure community-supported ***agriculture*** and the provision of social services in rural areas; 17. Calls on the Commission to introduce a new and comprehensive legal framework which allows the integration of the various types of environmental actions at present, such as cross compliance, greening and the good ***agricultural*** and environmental conditions (GAEC) standards, as well as agri-environment measures (AEMs) for rural development, so that farmers can deliver effectively and with less bureaucracy on environmental care, biodiversity and climate action, while ensuring that Member States have adequate control and taking into account local conditions; 18. Believes that this new framework should be underpinned by the possible allocation of a minimum amount of the total available budget to AEMs, including organic ***agriculture***, support for biodiversity and genetic diversity in animals and plants; 19. Calls on the Commission to foster innovation and modernisation in ***agriculture*** by supporting training and ***agricultural*** extension as a pre-condition in ***programme*** design and implementation in all Member States, while fostering the ***transfer*** of know-how and the exchange of best practice models between Member States; A strong position for farmers in the global food system 20. Calls on the Commission to maintain the current common market organisation (CMO) framework, including the individual sector plans (wine, and fruit and vegetables) and the EU school fruit, vegetables and milk scheme, with the ultimate aim of strengthening the sustainability and competiveness of each sector while enabling access for all farmers; 21. Insists on the critical need for the future CAP to support farmers more efficiently in order to cope with price and income volatility due to climate, health and market risks, PE618.154vv01-00 8/11 PR\1146033EN.docx EN by creating additional incentives for flexible risk management and stabilisation tools while ensuring broad access; 22. Insists on the necessity of strengthening the position of producers within the food supply chain, in particular by guaranteeing them a fair share of the added value, by fostering inter-sectoral cooperation, and strengthening transparency in the markets and crisis prevention; 23. Calls on the Commission to allow and indeed encourage – particularly in the dairy sector – active crisis management instruments, such as voluntary sector agreements to manage supply in quantitative terms among producers, producers organisations and processors, and to examine the possibility of extending such instruments to other sectors; 24. Calls for an in-depth review of the current crisis reserve mechanism in order to create an independent financial instrument exempt from the budgetary principle of annuality, so as to permit budgetary ***transfers*** from one ***year*** to the next, thereby enabling quick and effective responses to crisis situations, including those involving animal and plant health, disease-related issues and food safety; 25. Believes that while trade agreements are beneficial to the EU ***agricultural*** sector overall, and necessary for strengthening the EU’s position on the global ***agricultural*** market, they also pose a number of challenges that require reinforced safeguard mechanisms to ensure a level playing field between farmers in the EU and in the rest of the world; 26. Calls for initiatives to promote EU production, safety and environmental standards and quality production schemes, through both labelling and marketing activities on internal and third-country markets; A transparent decision process for a solid CAP proposal 2020-2027 27. Stresses that Parliament and the Council should, via the co-decision procedure, set the general objectives, measures and financial allocations, and determine the level of flexibility needed to enable the Member States to cope with their specificities and needs in line with the single market; 28. Regrets the fact that the whole process of the CAP post-2020 ***programming*** exercise – consultation, communication, impact assessment and legislative proposals – is starting with a significant delay as the end of the eighth legislature approaches, jeopardising the possibility of a final agreement being reached before the European elections; 29. Calls on the Commission to propose, before the application of the NDM, a transitional period long enough to ensure a soft landing and to avoid any delay in farmers’ annual ***payments*** and in the implementation of rural development ***programmes***; o o o 30. Instructs its President to forward this resolution to the Council and the Commission.

PR\1146033EN.docx 9/11 PE618.154vv01-00 EN EXPLANATORY STATEMENT On 29 November 2017 the Commission adopted its Communication on modernising and simplifying the Common ***Agricultural*** Policy (CAP) under the title ‘The Future of Food and Farming’. (COM(2017)713final). This Communication has already been announced by President Juncker in 2016, it is included in the Commission Work ***Programme*** 2017 and was originally foreseen for spring 2017. The 26 pages of text kick-off the multi-stage process by which the 27 EU’s Institutions eventually have to agree on the legislation determining the CAP post-2020. The Communication thus aims to provide both basis and framework of the discussion between institutional and individual, public and private stakeholders across the EU27. It will be followed by legislative proposals as legal basis for the next ***programming*** period 2020-2027 and accompanied by an Impact Assessment comprising the relevant evidence-base. The proposals will be published after the adoption of the Multi-annual Financial Framework (MFF) which is foreseen for May 2018. The original purpose of the Communication is to - present the main EU ***agricultural*** challenges (food explicitly not mentioned); - highlight the contribution of the ***agriculture*** sector to the ten Commission’s priorities and to the Sustainable Development Goals (SDG) in synergy with other EU policies; - specify policy priorities for the future CAP enhancing its EU added value; - explore operational proposals for a simpler CAP, improved governance, better reflection of the diversity in EU ***agriculture***, increased subsidiarity, limiting administrative burden for beneficiaries and strengthening the focus on results. The Communication also sets out three key objectives for ***agriculture*** in contrast to the original Treaty-based objectives: 1. Fostering a smart and resilient ***agricultural*** sector; 2. Bolstering environmental care and climate action; 3. Strengthening the socio-economic fabric of rural areas. A first step in the CAP post-2020 ***programming*** process was a broad on-line public consultation which received in excess of 320,000 online responses from all EU Member States with the vast majority submitted by individuals as well as over 1400 position papers. The second step is the elaboration of the comprehensive Impact Assessment (IA) aiming to draw lessons from the implementation of the 2013-2020 ***programming*** period and specifically the aims for a “greener, simpler, fairer” CAP. Consequently, while reflecting broad ideas of the ongoing public debate, the IA will develop a set of policy options for development including an assessment how the policy objectives can best be met, including: - Option 1 (baseline) will assess the impact of the CAP remaining as it currently stands, including the recently adopted Omnibus proposal. - Option 2 will assess the impact of a “no CAP” scenario to test the consequences of the absence of policy intervention with respect to the economic, environmental and social EU-added value of the CAP. - Option 3 sees Member States/regions ***programming*** CAP operations against EU priorities based on identified needs. The focus shifts to risk management, investments PE618.154vv01-00 10/11 PR\1146033EN.docx EN in restructuring and business development in ***agriculture*** and rural SMEs, climate and environment services and access to innovation, knowledge and ICT. - Option 4 redefines the division of tasks between EU-, MS- and farm-level to enhance the income safety-net with better synergies between direct support including area ***payments*** and risk management, to better target climate and environmental action, and to simplify and modernise controls towards performance-based outcomes. - Option 5 envisages strong redistribution of direct support towards small and environmentally friendly farms, and promotes short circuits. The evidence base of the Communication and the IA is the following: - DG AGRIs own Common Evaluation and Monitoring Framework (CEMF) for measuring CAP performance based on Member states indicators; - EU-wide targets and indicators agreed for monitoring the SDGs (Communication “European Action for Sustainability” COM (2016) 739 final); - EU27 Member states annual implementation reports will provide data on progress towards targets and corresponding budget envelopes; - DG AGRI regular evaluation studies on CAP general 2013 objectives and input for the Outlook conference in late 2017; From the wider European context, the main driver of CAP reform is the budget issue: The CAP continues to be the largest single spending item in the EU budget, accounting for around 38% of the total expenditure. In the next MFF, the EU needs to address significant new challenges, such as migration, security and growth while the UKs departure will reduce the available budget yet there is great reluctance among Member States to increase the overall size of the budget (1% GNI). For public and private stakeholders the key issues raised in the Communication are therefore: - National Strategy - design, adoption and implementation: Notably Governance structure (legal aspect such as relationship regions-central state, transparency and citizen participation), internal coherence (consistency with rural development ***programmes*** and sector plans), external coherence (e.g European Structural and Investment Funds); - Delivery model - output-orientated and performance-based funding ***programs***: Control and audit (EU and national competencies), indicators (availability and definition, quality control, penalties), management models (simplified cost options), equal approach across Member states (eligibility, mandatory/voluntary, controls); - Environmental and climate action - integrated approach to compensating environmental services by merging current CAP greening, cross compliance and good ***agriculture*** practice as well as rural development measures to allow for compensation of public goods including climate action and human and animal and plant health and welfare; - Financial allocation - EU-support ***programmes***: Transition models for reduced/targeted funding, differentiation between Member states (external convergence) based on objective criteria (see ESIF), co-funding by regions / Member states, entitlements reflecting socio-economic conditions within Members states regions (internal convergence); Regarding the forward perspective, it is relevant to recall that the last CAP ***programming*** 2013-2020 exercise took two ***years*** from the initial publication of the Commission proposals PR\1146033EN.docx 11/11 PE618.154vv01-00 EN (June 2011) as part of the Multiannual Financial Framework (MFF) proposal 2014-2020 to political agreement (June 2013) and the final legislative approval (in December 2013) which necessitated transitional measures across sectors (until 2015). However, this did neither coincide with the end of the Commissions mandate nor the EPs legislative period.

**Load-Date:** February 27, 2018

**End of Document**



[***FEDERAL REGISTER: Affordable Housing Program Amendments Pages 11344 - 11390 [FR DOC # 2018-04745]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RWJ-R201-F0YC-N3BD-00000-00&context=1516831)

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**Body**

Washington: Office of the Federal Register has issued the following notice:

Federal Housing Finance Agency ----------------------------------------------------------------------- 12 CFR Parts 1290 and 1291 Affordable Housing ***Program*** Amendments; Proposed Rule Federal Register / Vol. 83 , No. 50 / Wednesday, March 14, 2018 / Proposed Rules [[Page 11344]] ----------------------------------------------------------------------- FEDERAL HOUSING FINANCE AGENCY 12 CFR Parts 1290 and 1291 RIN 2590-AA83 Affordable Housing ***Program*** Amendments AGENCY: Federal Housing Finance Agency. ACTION: Proposed rule. ----------------------------------------------------------------------- SUMMARY: The Federal Housing Finance Agency (FHFA) is issuing notice and providing an opportunity for the public to comment on proposed amendments to its regulation on the Federal Home Loan Banks' (Banks) Affordable Housing ***Program*** (AHP or ***Program***). The proposed amendments would provide the Banks additional authority to allocate their AHP funds; authorize the Banks to establish special competitive funds that target specific affordable housing needs in their districts; provide the Banks authority to design and implement their own project selection scoring criteria, subject to meeting certain FHFA-prescribed outcome requirements; remove the requirement for retention agreements for owner-occupied units; further align the project monitoring requirements with those of other federal government funding ***programs***; clarify the provisions on remediating AHP noncompliance; clarify certain operational requirements; and streamline and reorganize the regulation.

DATES: Written comments must be received on or before May 14, 2018. ADDRESSES: You may submit your comments on the proposed rule, identified by regulatory information number (RIN) 2590-AA83, by any one of the following methods:  Agency Website: [*www.fhfa.gov/open-for-comment-or-input*](http://www.fhfa.gov/open-for-comment-or-input).      Federal eRulemaking Portal:   [*http://www.regulations.gov*](http://www.regulations.gov) Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by email to FHFA at [*RegComments@fhfa.gov*](mailto:RegComments@fhfa.gov) to ensure timely receipt by FHFA. Include the following information in the subject line of your submission: Comments/RIN 2590-AA83.      Hand Delivered/Courier: The hand delivery address is: Alfred M. Pollard, General Counsel, Attention: Comments/RIN 2590-AA83, Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW, Washington, DC 20219. Deliver the package at the Seventh Street entrance Guard Desk, First Floor, on business days between 9 a.m and 5 p.m      U.S Mail, United Parcel Service, Federal Express, or Other Mail Service: The mailing address for comments is: Alfred M. Pollard, General Counsel, Attention: Comments/RIN 2590-AA83, Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street SW, Washington, DC 20219. Please note that all mail sent to FHFA via U.S Mail is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly.

FOR FURTHER INFORMATION CONTACT: Ted Wartell, Manager, Office of Housing and Community Investment, 202-649-3157, [*ted.wartell@fhfa.gov*](mailto:ted.wartell@fhfa.gov); Marcea Barringer, Senior Policy Analyst, Office of Housing and Community Investment, 202-649-3275, [*marcea.barringer@fhfa.gov*](mailto:marcea.barringer@fhfa.gov); Marshall Adam Pecsek, Senior Counsel, Office of General Counsel, 202-649-3380, [*marshall.pecsek@fhfa.gov*](mailto:marshall.pecsek@fhfa.gov); or Sharon Like, Managing Associate General Counsel, Office of General Counsel, 202-649-3057, [*sharon.like@fhfa.gov*](mailto:sharon.like@fhfa.gov) These are not toll-free numbers. The mailing address is: Federal Housing Finance Agency, 400 Seventh Street SW, Washington, DC 20219. The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Comments

    FHFA invites comments on all aspects of the proposed rule and will take all comments into consideration before issuing a final rule. A list of FHFA's requests for comments on specific issues appears in Section V. Please identify the specific request for comment to which you are responding by its request number. Copies of all comments will be posted without change, and will include any personal information you provide such as your name, address, email address, and telephone number, on the FHFA website at [*http://www.fhfa.gov*](http://www.fhfa.gov) In addition, copies of all comments received will be available for examination by the public through the electronic rulemaking docket for this proposed rule also located on the FHFA website.

II. Background

A. Overview of Current ***Program***

    The Federal Home Loan Bank Act (Bank Act) requires each Bank to establish an affordable housing ***program***, the purpose of which is to enable Bank members to provide subsidies for long-term, low- and moderate-income, owner-occupied and affordable rental housing.\1\ The Banks may provide AHP subsidies to finance: Homeownership by families with incomes at or below 80 percent of area median income (AMI); and the purchase, construction, or rehabilitation of rental housing, at least 20 percent of the units of which will be occupied by and affordable for very low-income households.\2\ ``Affordable for very low-income households'' is defined to mean that rents charged to tenants for units made available for occupancy by low-income families shall not exceed 30 percent of the adjusted income of a family whose income equals 50 percent of AMI, with adjustment for family size.\3\ FHFA's regulation implementing the Bank Act's AHP requirements is set forth at 12 CFR part 1291. ---------------------------------------------------------------------------

    \1\ 12 U.S.C 1430(j)(1).     \2\ 12 U.S.C 1430(j)(2).     \3\ 12 U.S.C 1430(j)(13)(D). ---------------------------------------------------------------------------

    The AHP has played an important role in facilitating the Banks' support of their members' efforts to meet the affordable housing needs of their communities. Between 1990 and 2016, the Banks awarded approximately $5.4 billion in AHP subsidies to assist the financing of over 827,000 housing units through two ***programs***--the Competitive Application ***Program*** and the Homeownership Set-Aside ***Program***. From 1990 to 2016, the Banks awarded approximately $4.4 billion under the Competitive Application ***Program***, assisting over 660,000 units, 71 percent of which were for very low-income households. From 1995 to 2016, the Banks awarded almost $1 billion under the Homeownership Set- Aside ***Program***, assisting the financing of approximately 167,000 owner- occupied units.\4\ AHP subsidies have proven effective in funding projects that present underwriting challenges, such as projects for the homeless and special needs populations, including persons with disabilities and the elderly. One strength of the AHP is its capacity to leverage additional public and private resources for affordable housing. For example, the AHP has been used effectively by project sponsors with a number of different federal and state funding sources, including Low-Income Housing Tax Credits (LIHTC or tax credits), an important funding source for rental housing for very low-income households. ---------------------------------------------------------------------------

    \4\ The Competitive Application ***Program*** began in 1990, and the Homeownership Set-Aside ***Program*** began in 1995. ---------------------------------------------------------------------------

B. AHP Regulatory History

    FHFA and one of its predecessor agencies, the Federal Housing Finance Board (Finance Board), have engaged in

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numerous rulemakings over the ***years*** to revise, clarify, and streamline the AHP requirements as the ***program*** has evolved and housing markets have changed. In the early ***years*** of the ***Program***, the Finance Board designed the AHP regulation to address affordable housing needs from a national policy perspective. The regulation contained scoring criteria (referred to as ``regulatory priorities'') that represented specific housing needs existing in all of the Bank districts that the Finance Board viewed as national policy priorities. The Banks would review and forward the AHP applications to the Finance Board's Board of Directors, who would approve eligible applications in accordance with the regulation's competitive scoring system. Subsequent AHP rulemakings progressively devolved specific approval and governance authorities to the Banks in order to enhance the ability of the Banks to address specific affordable housing needs in their respective districts. Highlighted among these regulatory amendments are the following:      1995--The rule authorized the Banks to establish Homeownership Set-Aside ***Programs*** to provide grants for households purchasing or rehabilitating homes. The Finance Board increased the maximum permissible annual funding allocation for these optional ***programs*** several times after 1995.      1997--The rule ***transferred*** approval authority over the AHP applications from the Finance Board to the Banks. The rule also substantially modified the scoring system, including establishing five regulatory priorities selected by the Finance Board, and allowing the Banks greater input in selecting scoring criteria and scoring points allocations based on their district housing needs. This included authority to select ``Bank First District Priority'' scoring criteria (from a list of specific housing needs identified in the regulation) and a ``Bank Second District Priority'' scoring criterion (a specific district housing need identified by the Bank), which together accounted for a maximum of 50 scoring points out of 100. The regulation also established specific initial and long-term project monitoring requirements.      2006--The rule provided the Banks with more discretion to establish project monitoring and other requirements and authorized the use of AHP subsidies with revolving loan funds and loan pools.      2009--The rule expanded the Banks' authority to target specific affordable housing needs in their districts by allowing the Banks to identify and include multiple district housing needs under their Bank Second District Priority scoring criterion.     The AHP regulation currently authorizes the Banks to establish and administer two ***programs***: A mandatory Competitive Application ***Program***; and an optional Homeownership Set-Aside ***Program***. Each Bank generally is required to allocate annually at least 65 percent of its required annual AHP contribution to its Competitive Application ***Program***.\5\ Under the Competitive Application ***Program***, Bank members apply to the Banks for AHP subsidies on behalf of project sponsors, which are typically nonprofit affordable housing developers, but may include for- profit organizations. The regulation requires the Banks to develop and implement a Competitive Application ***Program*** scoring system subject to requirements in the regulation, which serves as a tool for evaluating and selecting the project applications that will receive a limited supply of AHP subsidies. During the 28 ***years*** that the ***Programs*** have operated, the demand for the AHP subsidies has always exceeded the amount available. In 2016, the Banks approved, on average, 43 percent of applications received. In total, the Banks awarded $283.4 million in AHP subsidies under their Competitive Application ***Programs*** in 2016 to help finance the purchase, construction, or rehabilitation of 25,530 rental and owner-occupied housing units. ---------------------------------------------------------------------------

    \5\ Where a Bank allocates the alternative maximum amount of $4.5 million to its Homeownership Set-Aside ***Program***, the Bank may allocate less than 65 percent of its total AHP funds to its Competitive Application ***Program***. ---------------------------------------------------------------------------

    The regulation also provides that each Bank may allocate annually up to the greater of $4.5 million or 35 percent of its required annual AHP contribution to fund its Homeownership Set-Aside ***Program***. Under this ***program***, members apply to the Banks for AHP subsidies, which are provided to low- or moderate-income homebuyers or homeowners for the purchase or rehabilitation of homes. In 2016, the Banks provided members a combined total of $85.5 million through their Homeownership Set-Aside ***Programs***, which assisted 13,555 low- or moderate-income homebuyers or homeowners.

C. Bank and Stakeholder Input

    In accordance with FHFA's five-***year*** regulatory review plan, FHFA published a Notice of Regulatory Review in the Federal Register in 2013 requesting comment on FHFA's existing regulations for purposes of improving their effectiveness and reducing their burden.\6\ In response, the Banks jointly submitted a letter to FHFA commenting on the AHP and other FHFA regulations.\7\ Addressing the AHP regulation, the letter argued that prescriptive, outdated, or ambiguous provisions of the regulation created inefficiencies and uncertain risk exposures, and recommended that FHFA review the regulation and consider clarifications and enhancements to further empower the Banks in the management of their ***Programs***. ---------------------------------------------------------------------------

    \6\ See 78 FR 23507 (April 19, 2013).     \7\ See Comment Letter from 12 Banks to FHFA, dated June 18, 2013. ---------------------------------------------------------------------------

    In response to the Banks' recommendations, FHFA undertook a comprehensive review of the AHP regulation, including AHP issues on which FHFA had provided regulatory guidance. To further inform the review, FHFA held a number of discussions separately or jointly with the Banks' Community Investment Officers (CIOs), the Bank Presidents' Housing Committee, leadership of the Banks' Affordable Housing Advisory Councils, and other AHP stakeholders including Bank member institutions and representatives of several national and regional nonprofit housing organizations. The Banks and stakeholders uniformly expressed support for the AHP, viewing the ***program***'s affordable housing mission favorably and acknowledging its longstanding reputation as a well-managed ***program*** and the critical role it plays in affordable housing initiatives throughout the country.     At the same time, the CIOs and stakeholders offered a number of specific recommendations to improve the operation of the AHP. The recommendations were directed largely at (1) expanding the Banks' authority to allocate their AHP funds; (2) providing the Banks authority to devise their own project selection methods, including the use of non-competitive processes; (3) clarifying the requirements for determining a project's need for AHP subsidy; (4) aligning the project monitoring requirements with those of other major funding sources; (5) clarifying the Banks' authorities to resolve project noncompliance; (6) clarifying certain operational requirements; and (7) codifying FHFA regulatory guidance in the regulation. Although a majority of the CIOs and stakeholders expressed the view that the existing regulatory requirements for scoring AHP applications limit a Bank's ability to effectively target specific housing needs within its district, others stated that the project scoring system

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provides the Banks sufficient scoring flexibility and does not need revision.     After reviewing all of the specific recommendations, FHFA determined that a number of the recommended changes are already permissible under the current regulation and, therefore, do not require regulatory amendments. A number of other recommendations are clearly impermissible under the Bank Act and, therefore, cannot be authorized in the AHP regulation without statutory amendments. The remaining recommendations generally require revisions to the AHP regulation. FHFA analyzed these recommendations to determine whether they were appropriate from a policy standpoint and consistent with the statutory requirements. FHFA also considered the impact that adopting these recommendations would have on populations in greatest need of affordable housing assistance, the AHP's reputation as a well-managed ***program***, and FHFA's ability to supervise, examine, and monitor the Banks' ***Programs***. Based on FHFA's analyses of the recommendations and its review of the ***Programs***, FHFA is proposing to amend the AHP regulation as further discussed below.     The proposed rule would authorize the Banks to develop and implement an ``outcome-based approach'' for administering their competitive application ***programs*** (the proposed General Fund and any Targeted Funds established by a Bank discussed below). This approach would differ significantly from the existing project selection scoring process, which requires Banks to allocate a majority of the points for scoring applications to several pre-determined housing needs priorities. Instead, the proposed rule would require each Bank to design and implement its own system to address specific housing needs in its district. However, the scoring system would need to result in the Bank awarding a majority of its AHP funds to certain regulatory priorities established by FHFA as well as the housing priorities specified in the Bank Act. The Banks would be required to support their reasons for choosing specific housing needs with empirical data in their Targeted Community Lending Plans.     FHFA is also proposing to provide the Banks additional flexibility to allocate their total annual AHP funds. The Banks would be authorized to allocate a portion of their total annual AHP funds to a maximum of three competitive Targeted Funds that enhance the Banks' ability to target specific affordable housing needs within their districts that are unmet, have proven difficult to address through the existing Competitive Application ***Program***, or align with objectives identified in the strategic plans adopted by each Bank's board of directors. The amount each Bank could allocate to its Targeted Funds would be limited to a maximum of 40 percent of the Bank's total annual AHP funds. The Banks would be required to establish and support the need for the Targeted Funds in their Targeted Community Lending Plans.     In addition, the proposed rule would increase the percentage of total annual AHP funds that the Banks could allocate to their noncompetitive Homeownership Set-Aside ***Programs***. The current regulation authorizes each Bank to allocate annually up to the greater of 35 percent of its total annual AHP funds or $4.5 million to fund its Homeownership Set-Aside ***Programs***. The proposed rule would increase the maximum allocation percentage to 40 percent, while retaining the alternate $4.5 million threshold. To account for high-cost areas and high rehabilitation costs, as well as housing price appreciation since the last time the set-aside percentage threshold was increased, the maximum set-aside grant that a Bank could provide to a household would increase from $15,000 to $22,000 and would be subject to annual increases according to FHFA's Housing Price Index.     FHFA is also proposing to further align the AHP project monitoring requirements with those of other government funding ***programs***. The proposed rule would remove certain back-up documentation requirements for the initial monitoring of AHP projects that have received LIHTC funding. It would also remove certain back-up documentation requirements for initial and long-term monitoring of AHP projects that have received funding under other federal government ***programs***, which would be specified in FHFA guidance.     FHFA is also proposing to clarify the responsibilities of the various parties in the event of AHP noncompliance.

III. Analysis of the Proposed Rule

Reorganization of Regulatory Text

    To provide greater clarity for users of the AHP regulation and to take into account the proposed new provisions, the proposed rule would reorganize the current regulation. Existing and new regulatory sections would be grouped under new Subpart headings according to similar subject matter, which would result in renumbering of most sections of the current regulation. In addition, the numbering of the sections would not be consecutive from Subpart to Subpart in order to reserve room within Subparts for the addition of new sections in the future, as necessary. Specific organizational changes are discussed below under the applicable regulatory amendments.

Subpart A--General

Proposed Sec.  1291.1 Definitions     Proposed Sec.  1291.1 would retain most of the definitions currently in Sec.  1291.1 The proposed rule would revise some of the definitions and add definitions, which are discussed below in the context of the related regulatory amendments.     In addition, the proposed rule would make the following technical changes:      A definition of ``AHP'' would be added, which means the Affordable Housing ***Program*** required to be established by the Banks pursuant to 12 U.S.C 1430(j) and this part.      The definition of ``Homeownership Set-Aside ***Program***'' would include a reference that establishment of such a ***program*** is in the Bank's discretion and is a noncompetitive ***program***.      The definition of ``net earnings of a Bank'' would be revised by removing the requirement to deduct the Bank's annual contribution to the Resolution Funding Corporation, as the Banks are no longer required to make annual contributions to the Resolution Funding Corporation.\8\ ---------------------------------------------------------------------------

    \8\ 12 U.S.C 1441b. ---------------------------------------------------------------------------

     In the definition of ``rental project,'' the term ``manufactured housing'' would be changed to ``manufactured housing communities,'' which more accurately describes this type of housing in the context of rental projects.      References to the ``competitive application ***program***'' would be changed to the General Fund and any Targeted Funds established by the Bank. References to the ``homeownership set-aside ***programs***'' would be capitalized and would highlight that they are discretionary and noncompetitive.

Subpart B--***Program*** Administration and Governance

Proposed Sec.  1291.10 Required Annual AHP Contribution     Consistent with current Sec.  1291.2(a), proposed Sec.  1291.10(a) would contain the Bank Act requirement that each Bank contribute annually to its AHP 10 percent of its net income for the preceding ***year***, subject to a minimum annual combined contribution by all of the Banks of $100 million.\9\ ---------------------------------------------------------------------------

    \9\ See 12 U.S.C 1430(j)(5)(C).

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Proposed Sec.  1291.11 Temporary Suspension of AHP Contributions     Existing Sec.  1291.11 on the temporary suspension of AHP contributions would not be changed. Proposed Sec.  1291.12 Allocation of Required Annual AHP Contribution     Proposed Sec.  1291.12 would revise existing Sec.  1291.2(b) governing the required and permissible allocations of the Banks' required annual AHP contributions. Section 1291.2(b)(1) currently requires each Bank to allocate annually to its Competitive Application ***Program*** that portion of its required annual AHP contribution that is not set aside by the Bank to fund Homeownership Set-Aside ***Programs***. Section 1291.2(b)(2) provides that each Bank may allocate annually, in the aggregate, up to the greater of $4.5 million or 35 percent of its annual required AHP contribution to Homeownership Set-Aside ***Programs***. Therefore, a Bank generally is required to allocate at least 65 percent of its required annual AHP contribution to its Competitive Application ***Program*** depending on the amount of AHP funds it allocates, if any, to Homeownership Set-Aside ***Programs***.\10\ ---------------------------------------------------------------------------

    \10\ As noted earlier, where a Bank allocates the alternate maximum amount of $4.5 million to its Homeownership Set-Aside ***Programs***, the Bank may allocate less than 65 percent of its total AHP funds to its Competitive Application ***Program***. ---------------------------------------------------------------------------

    The proposed rule would revise the required and permissible annual maximum AHP funding allocations as follows:     (1) General Fund--A Bank must allocate annually at least 50 percent of its required annual AHP contribution to a General Fund (a mandatory competitive application ***program*** but with significant changes from the current Competitive Application ***Program***, as further discussed below);     (2) Homeownership Set-Aside ***Programs***--A Bank may allocate annually, in the aggregate, up to the greater of $4.5 million or 40 percent of its required annual AHP contribution to Homeownership Set-Aside ***Programs*** (the same optional Homeownership Set-Aside ***Programs*** as in the current regulation but with proposed changes discussed below);     (3) Targeted Funds--A Bank may allocate annually, in the aggregate, up to 40 percent of its required annual AHP contribution to a maximum of three Targeted Funds (a new type of optional competitive application ***program*** discussed below).     If a Bank chooses not to establish Homeownership Set-Aside ***Programs*** or Targeted Funds in a given ***year***, it would allocate 100 percent of its required annual AHP contribution to its General Fund. If a Bank chooses to allocate the maximum 40 percent to Homeownership Set-Aside ***Programs***, it could allocate up to 10 percent for Targeted Funds (after allocating the required 50 percent for the General Fund). If a Bank chooses to allocate the maximum 40 percent to Targeted Funds, it could allocate up to 10 percent for Homeownership Set-Aside ***Programs*** (after allocating the required 50 percent for the General Fund).     The proposed rule would provide that a Bank's board of directors may not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility for adopting the policies for its General Fund and any Targeted Funds and Homeownership Set-Aside ***Programs*** established by the Bank. The purpose of this provision is to encourage increased engagement in the AHP and increased integration of the Banks' low-income housing and community development activities and issues, as well as Advisory Council input, into the overall strategic planning of the Bank. FHFA anticipates the board committee's work to remain largely the same as it is currently, but also for the full board to have more engagement with the board committee's recommendations. The full board could still delegate limited responsibilities to the board committee for non-strategic types of AHP issues that a board committee is well suited to address within the parameters of its delegation of authority, such as project modification requests for AHP subsidy increases.     The reasons for the proposed AHP funding allocations are discussed below.     Allocation to General Fund. The proposed rule would reduce the minimum percentage of a Bank's required annual AHP contribution that must be allocated annually to the General Fund to 50 percent. All projects would be eligible to apply for AHP subsidies under the General Fund, as under the current Competitive Application ***Program***. FHFA believes that the Banks should be required to continue administering a competitive application ***program*** that attracts numerous applications that address a broad array of affordable housing needs. The proposed 50 percent threshold would still ensure that at least half of the AHP funds are made available to address a broad spectrum of affordable housing needs within the Bank district, while enabling a Bank to simultaneously target additional specific affordable housing needs in its district through allocation of up to an additional 40 percent of the total AHP funds to Targeted Funds or Homeownership Set-Aside ***Programs***. FHFA considered whether to allow the Banks complete discretion regarding the allocation of their AHP funds but rejected this approach for the reasons in the discussion of proposed Sec.   1291.25 Allocation to Homeownership Set-Aside ***Programs***     Maximum permissible AHP funding allocation. FHFA is proposing to increase the maximum percentage allocation amount for the Homeownership Set-Aside ***Program*** from 35 to 40 percent, and to retain the alternative maximum allocation amount at $4.5 million.     The Homeowner Set-Aside ***Programs*** have helped expand homeownership opportunities for very low-, and low- or moderate-income households since 1995. From 1995 through 2016, the ***programs*** provided approximately $953 million in grants, supporting approximately 167,000 households. In 2016, the 11 Banks, in the aggregate, allocated approximately 27 percent of their total annual required AHP contributions to Homeownership Set-Aside ***Programs***. A number of Banks consistently allocate the maximum permissible amount of 35 percent or $4.5 million. For example, in 2016, four Banks allocated 35 percent, and one Bank allocated $4.5 million. In 2015, six Banks allocated the maximum permissible amount. FHFA considered whether to eliminate or raise the maximum permissible allocation amounts because the demand for set-aside funds has far exceeded the amount the Banks are currently authorized to allocate to these ***programs***.     Authorizing the Banks to allocate more funds to Homeownership Set- Aside ***Programs*** would enable the Banks and their members to meet more of the demand for set-aside funds and to provide more assistance to low- or moderate-income homebuyers and homeowners, including first-time homebuyers, than occurs under the Competitive Application ***Program***. The current regulation allows Banks to establish more than one Homeownership Set-Aside ***Program***. A number of Banks establish multiple Homeownership Set-Aside ***Programs*** each ***year*** to address the homeownership needs of different populations, such as military veterans or disaster victims. The proposed changes to the regulation would enable the Banks to serve even more low- or moderate-income homebuyers and homeowners.

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    The Homeownership Set-Aside ***Programs*** not only assist low- or moderate-income households by providing grants for home purchase or rehabilitation, but assist Bank members by providing them a way to access a wider customer base and originate new mortgages for low- or moderate-income households. Member participation in the ***program*** can result in new potential household customers and increased goodwill for Bank members. Members' participation in the AHP, including the Homeownership Set-Aside ***Program***, also enables them to receive favorable consideration under the federal Community Reinvestment Act. Increasing the maximum permissible percentage allocation could result in more opportunities for members to fulfill those obligations.     In addition, the lack of a competitive scoring process and minimal monitoring requirements at subsidy disbursement make the Homeownership Set-Aside ***Programs*** easy to administer and cost-effective. Further, no long-term monitoring is required because the AHP-assisted households currently are only subject to five-***year*** retention agreements governing the sale or refinancing of the home, although determining and managing the repayments of AHP subsidies by households who sell or refinance their homes during the five-***year*** period entails some administrative responsibilities on the Banks and members. As discussed below, FHFA is proposing to remove the requirement for retention agreements on owner- occupied units.     Increasing the maximum percentage amount for the Homeownership Set- Aside ***Program*** would enable the Banks to allocate less funds to their Competitive Application ***Programs***, resulting potentially in less funding of rental projects, which are funded under those ***programs***. However, in light of the significant demand for set-aside funds, which exceeds the current maximum percentage amount, FHFA believes that increasing this amount would be a reasonable approach to address the demand. As noted above, one of the main goals of the proposed rule is to enhance the Banks' ability to target specific housing needs in their districts through the AHP. Each Bank would weigh the specific homeownership and rental housing needs in its district and determine what the appropriate relative funding allocations should be for those needs under its AHP.     FHFA is not proposing to remove the maximum permissible allocation limits for the Homeownership Set-Aside ***Program*** because this could result in the Banks allocating all of their annual AHP funds to the Homeownership Set-Aside ***Program***, which would be contrary to the statutory intent that both homeownership and rental projects be funded. The proposed rule would continue to require that the Banks allocate the majority of their total annual AHP funds (at least 60 percent under the proposed rule) to competitive application ***programs***--the proposed General Fund and any Targeted Funds, which are likely to be targeted to more types of housing needs including rental housing. This may ensure that a significant percentage of AHP funds continue to support rental projects.\11\ FHFA believes that it is extremely important that a substantial portion of AHP funds continue to assist in the development of rental housing for lower income households given the need for more affordable rental housing throughout the nation. ---------------------------------------------------------------------------

    \11\ A Bank would be required to allocate at least 50 percent of its total annual AHP funds to its General Fund, and may allocate up to 40 percent of its total annual AHP funds to Homeownership Set- Aside ***Programs***. If the Bank allocates the maximum 40 percent to the latter ***programs***, then it has 10 percent remaining for allocation to its General Fund and any Targeted Funds. That amounts to 60 percent if only a General Fund is established, or 60 percent total for both the General Fund and any Targeted Funds established. ---------------------------------------------------------------------------

    FHFA is proposing to retain the existing alternative maximum allocation amount of $4.5 million because it has enabled smaller Banks, as well as some larger Banks with lower earnings, to provide more funds than would be permissible under the maximum percentage limit to their Homeownership Set-Aside ***Programs*** to address district housing needs. For these Banks, $4.5 million may be greater than 35 or 40 percent. FHFA analyzed the impact that a proposed increase from 35 to 40 percent would have on each Bank, using each Bank's annual total AHP funding allocations for 2016 and 2017, to determine whether revisions to the $4.5 million limit would be necessary in conjunction with the percentage increase. FHFA found that the proposed increase from 35 to 40 percent would not have altered the Banks' need for, or use of, the $4.5 million maximum during those two ***years***. Accordingly, FHFA is not proposing an increase in the $4.5 million maximum.     One-third first-time homebuyer allocation requirement. The current regulation also requires that at least one-third of a Bank's aggregate annual funding allocation to its Homeownership Set-Aside ***Programs*** be to assist first-time homebuyers. The proposed rule would make a technical revision to clarify that the one-third allocation requirement applies to the amount of set-aside funds ``allocated'' by the Bank for first- time homebuyers, not the amount of set-aside funds actually used by them, because the Bank cannot control whether sufficient numbers of first-time homebuyers ultimately request set-aside funds in a given ***year***. If an insufficient number of first-time homebuyers request set- aside subsidies, a Bank would not be considered in violation of the allocation requirement as long as it allocated the required amount.     In addition, the proposed rule would make a substantive revision to the one-third allocation requirement to allow the Banks to include owner-occupied rehabilitation as a permissible use within the one-third allocation. FHFA considered whether to eliminate the one-third first- time homebuyer allocation requirement, which would enable Banks, in their discretion, to provide additional set-aside funds to households for owner-occupied rehabilitation. While the Banks currently may establish specific Homeownership Set-Aside ***Programs*** for owner-occupied rehabilitation using some or all of the remaining two-thirds set-aside funding allocation, eliminating the one-third first-time homebuyer allocation would enable allocation of even more set-aside funds for owner-occupied rehabilitation. A substantial need for owner-occupied rehabilitation funds exists in many Bank districts, and demand is likely to increase as the country's population ages.\12\ Expanding the scope of the one-third allocation requirement to include owner-occupied rehabilitation could facilitate additional funding for home repairs and accessibility modifications for households including the elderly, persons with disabilities, and military veterans. ---------------------------------------------------------------------------

    \12\ Housing America's Older Adults, Harvard Joint Center for Housing Studies, September 2, 2014. [*http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing\_americas\_older\_adults\_2014-ch4.pdf*](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing_americas_older_adults_2014-ch4.pdf) ---------------------------------------------------------------------------

    While FHFA recognizes the substantial need for more funds for owner-occupied rehabilitation for low- or moderate-income households, it is also important that all Banks continue to support the entry of first-time homebuyers into the homeownership market. The national homeownership rate has fallen from its peak of 69.2 percent at the end of 2004 to 63.9 percent as of September 30, 2017.\13\ The

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significant need for funding for first-time homebuyers is demonstrated by the fact that the Banks consistently have exceeded the one-third allocation requirement for first-time homebuyers since 1995, the ***year*** Homeownership Set-Aside ***Programs*** were first authorized by regulation. The 11 Banks have provided more than 80 percent of their set-aside funds each ***year*** to first-time homebuyers. In 2016, approximately 90 percent of the households receiving set-aside funds were first-time homebuyers. ---------------------------------------------------------------------------

    \13\ Quarterly Residential Vacancies and Homeownership, Third Quarter 2017, October 31, 2017, U.S Census Bureau. [*https://www.census.gov/housing/hvs/files/currenthvspress.pdf*](https://www.census.gov/housing/hvs/files/currenthvspress.pdf) ---------------------------------------------------------------------------

    Accordingly, rather than eliminating the one-third first-time homebuyer allocation requirement, the proposed rule would expand the scope of the requirement to include households for owner-occupied rehabilitation. While the proposed change could allow a Bank to allocate its entire one-third allocation to households for owner- occupied rehabilitation, FHFA believes this is highly unlikely in light of the Banks' record of allocating most of their set-aside funds to first-time homebuyers. Notably, in 2016, the Banks allocated only 10 percent of their total set-aside funds for owner-occupied rehabilitation. The proposed change could encourage Banks to increase their set-aside funding allocations for owner-occupied rehabilitation, while continuing their support for first-time homebuyers.     The proposed rule would also provide that a Bank's board of directors may not delegate to a committee of the board the responsibility for adopting its Homeownership Set-Aside ***Program*** policies, for the reasons discussed earlier.     Allocation to Targeted Funds. Proposed Sec.  1291.12(c)(1) would provide the Banks with a new authority to allocate annually, in the aggregate, up to 40 percent of a Bank's required annual AHP contribution to a maximum of three Targeted Funds established by the Bank. Targeted Funds would be administered through a competitive application scoring process developed by each Bank, pursuant to the requirements in proposed Sec.  1291.25 The purpose of the Targeted Funds is to enable a Bank to target specific affordable housing needs within its district that are either unmet, have proven difficult to address through the existing Competitive Application ***Program***, or align with objectives identified in the Bank's strategic plan. Proposed Sec.   1291.12(c)(2) would require the Banks to ***transfer*** any uncommitted Targeted Fund amounts to the General Fund for awards to alternates in the General Fund in the same ***calendar*** ***year***.     Permitting the Banks to establish Targeted Funds would help address challenges the Banks experience when trying to target specific affordable housing needs within their districts, especially in a single AHP funding period. Banks report that the existing regulatory scoring requirements can affect their efforts to fully address affordable housing needs within their districts. For example, Banks have indicated that they would like greater ability to target the affordable housing needs of specific geographic areas or populations, or to act in response to a disaster. The use of Targeted Funds focused on a specific geographic area or population or in response to a disaster could serve this purpose.     FHFA's regulations require each Bank's board of directors to adopt a strategic business plan that describes how its business activities will achieve its mission. The regulations require that each plan describe how the Bank will maximize activities that further the Bank's housing finance and community lending mission.\14\ The Banks would be able to use Targeted Funds to improve their ability to address their strategic objectives related to affordable housing. ---------------------------------------------------------------------------

    \14\ 12 CFR 1239.31 ---------------------------------------------------------------------------

    The current regulation already provides the Banks a degree of flexibility to address multiple housing priorities within a given AHP funding period. The Banks can allocate up to 50 points out of a total of 100 under the Bank First and Second District Priorities to emphasize multiple housing needs in their districts. However, some Banks have indicated that they find it difficult to allocate points, test, adjust, and balance the different scoring criteria in a manner that enables them to award subsidies to multiple housing priorities in the same funding period. Establishing a Targeted Fund with a dedicated funding allocation, for example, to a particular housing need, would guarantee that projects serving that housing need receive awards pursuant to the competitive process under that Fund, while other projects would receive awards under the competitive General Fund, thereby serving multiple housing needs in the same funding period.     FHFA believes that the use of Targeted Funds would be appropriate provided they are operated pursuant to a competitive scoring process to ensure a transparent and objective process for awarding funds. FHFA also believes that limitations should be imposed on the size of the Targeted Funds to ensure that funds continue to be available to address a broad spectrum of affordable housing needs within each district under the General Fund. Accordingly, the proposed rule would authorize each Bank to allocate annually up to 40 percent of its total annual AHP funds to Targeted Funds subject to a phase-in period.     FHFA is mindful that the use of Targeted Funds could introduce new risks to the Banks given the targeted nature of each Fund. Proposed Sec.  1291.20(c)(1) would require the Banks adopt and implement controls for ensuring that each Targeted Fund is designed to receive sufficient numbers of applicants for the amount of AHP funds allocated to the Targeted Fund to facilitate a genuinely competitive scoring process so that specific project sponsors or members are not specially advantaged. To further address the potential new risks, proposed Sec.   1291.20(b) would authorize each Bank to establish initially only one Targeted Fund, but would enable the Bank to increase the number of its Targeted Funds to a maximum of three pursuant to a phase-in period. In addition, as provided in proposed Sec.  1291.13(a) and (b), a Bank would not be allowed to establish or administer a Targeted Fund unless at least 12 months have passed since the publication of the Targeted Community Lending Plan and the Bank identifies in the Plan the affordable housing needs to be addressed by that Targeted Fund. This advance notice would help ensure that the Targeted Fund is designed in an open and objective manner to generate sufficient interest for holding a competitive scoring funding round. The advance notice also may serve to encourage potential sponsors to consider developing projects that address the affordable housing needs set by the Targeted Fund and submit applications to the Fund.     Although FHFA is not proposing that the Banks' Targeted Community Lending Plans be subject to approval by FHFA, FHFA may request that the Banks submit an advance copy to FHFA before releasing it to the public. This would provide FHFA an opportunity to review the Plans and provide comments as needed, particularly in the initial ***years*** of the Funds. Proposed Sec.  1290.6(c) would also require that the Targeted Community Lending Plans be published on the Banks' public websites, consistent with current practice at most Banks.     The Banks would identify in their Targeted Community Lending Plans the specific affordable housing needs, supported by empirical data, that the Targeted Funds will address. The Banks' AHP Implementation Plans would describe how the Targeted Funds will address these housing needs

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through the specific funding allocations and scoring criteria.     FHFA specifically requests comments on the benefits and risks of allowing the Banks to establish Targeted Funds. FHFA also requests comments on whether the proposed allocation of 40 percent of total annual AHP funds to Targeted Funds is an appropriate percentage, or whether the percentage should be higher or lower.     Acceleration of funding. Current Sec.  1291.2(b)(3) containing the discretionary authority for a Bank to accelerate future required annual AHP contributions to its current ***year***'s ***Program*** would move unchanged to proposed Sec.  1291.12(d) except for certain clarifying technical edits. Proposed Sec.  1291.13 Targeted Community Lending Plan; AHP Implementation Plan     Targeted Community Lending Plan. The Banks' boards of directors currently are required to adopt Targeted Community Lending Plans as part of their community support ***programs*** under FHFA's Community Support regulation. These Plans are focused largely on targeted economic development needs in the Banks' districts. As discussed, the proposed rule would amend Sec.  1290.6(a)(5) of the Community Support regulation \15\ to require the Banks to include in their Plans market research on affordable housing needs in their districts, and their identification and assessment of those affordable housing needs that are significant. The Banks would be required to specify, from among those identified needs, the affordable housing needs they will address through their funding allocations and scoring criteria under their General Funds and any Bank Targeted Funds and Homeownership Set-Aside ***Programs***, as further discussed under the AHP Implementation Plans below. The identified needs to be addressed through the Banks' General Funds and Homeownership Set-Aside ***Programs*** must be included in their Targeted Community Lending Plans at least six months before the beginning of the Plan ***year***. ---------------------------------------------------------------------------

    \15\ See 12 CFR 1290.6(a)(5). ---------------------------------------------------------------------------

    In addition, the proposed rule would amend the Community Support regulation to provide that a Bank's board of directors may not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility to adopt or amend the Targeted Community Lending Plan as previously discussed.     The proposed rule would also make technical changes to the language in Sec.  1290.6(a)(5) to clarify the Plan requirements.     The proposed changes discussed above would ensure that the Targeted Community Lending Plans are results-oriented and useful to FHFA in assessing the Banks' progress towards addressing the housing challenges of low- or moderate-income households in their districts. The proposed changes would increase the emphasis on accountability and results in the Targeted Community Lending Plans.     FHFA specifically requests comments on the benefits of the proposed expansion of the contents of the Targeted Community Lending Plans and their linkage to the AHP Implementation Plans. In addition, FHFA requests comments on whether the proposed expansion of the contents of the Targeted Community Lending Plans will impede the Banks' ability to respond to disasters through the AHP. AHP Implementation Plan     Requirements for each Fund. The current provision containing the requirements for the Banks' AHP Implementation Plans would move from Sec.  1291.3 to proposed Sec.  1291.13(b). Currently, each Bank must include in its AHP Implementation Plan its requirements for its Competitive Application ***Program***, including its scoring methodology, and any Homeownership Set-Aside ***Programs***. The proposed rule would require a Bank to include those requirements in its AHP Implementation Plan for its General Fund and any Targeted Funds established by the Bank. For a Targeted Fund, a Bank would also be required to include in its AHP Implementation Plan controls that ensure the Targeted Fund is designed to receive sufficient numbers of applicants for the amount of AHP funds allocated to the Fund to facilitate a genuinely competitive scoring process, as required in Sec.  1291.20(c)(1).     Linkage to Targeted Community Lending Plan. The proposed rule would require that a Bank include in its AHP Implementation Plan the specific funding allocation amounts for its General Fund and any Bank Targeted Funds and Homeownership Set-Aside ***Program***, including how the one-third allocation for the Homeownership Set-Aside ***Program*** will be apportioned with respect to first-time homebuyers and households for owner-occupied rehabilitation. The Banks' scoring criteria for each Fund must flow logically from the analyses and identified housing needs in the Banks' Targeted Community Lending Plans, which should lead ultimately to AHP awards meeting those housing needs.     Applications to multiple Funds. The proposed rule would require a Bank to include in its AHP Implementation Plan the Bank's policy on how it will decide under which Fund to approve a project that applies to more than one Fund and is competitive under all of them, pursuant to Sec.  1291.24(d).     Optional Bank district eligibility requirements. Consistent with the existing requirement in Sec.  1291.5(c)(15), the proposed rule would also provide in the AHP Implementation Plan section of the regulation (proposed Sec.  1291.13(b)(7)) that a Bank must include in its AHP Implementation Plan any optional Bank district eligibility requirements adopted by the Bank pursuant to proposed Sec.  1291.24(c).     Re-use of repaid AHP direct subsidy. The requirement in current Sec.  1291.3(a)(7) for a Bank to include in its AHP Implementation Plan its requirements for re-use of repaid AHP direct subsidy, if adopted by the Bank pursuant to current Sec.  1291.8(f)(2), would be removed. Repayment of subsidy under Sec.  1291.8(f)(2) depends upon an AHP- assisted household selling its home during the AHP five-***year*** retention period, as required under the AHP owner-occupied retention agreement. As elaborated below under the Agreements section, FHFA is proposing to remove the owner-occupied retention agreement requirement. Therefore, there would be no repayment of subsidy by the household and Sec.   1291.8(f)(2) would become moot.     Retention agreements. As noted above, because FHFA is proposing to remove the owner-occupied retention agreement requirement, the Banks' requirements for such retention agreements would no longer be required to be included in the AHP Implementation Plan. The Banks' retention agreement requirements for rental projects would continue to be included in the AHP Implementation Plan.     No delegation. Current Sec.  1291.3(a) prohibits a Bank's board of directors from delegating to Bank officers or other Bank employees the responsibility to adopt, and make any amendments to, the AHP Implementation Plan. The proposed rule would also provide that the Bank's board of directors may not delegate these responsibilities to a committee of the board. Proposed Sec.  1291.14 Advisory Councils     The current provisions addressing the membership and duties of the Banks'

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Advisory Councils would move from Sec.  1291.4 to proposed Sec.   1291.14, with several clarifications.     Representatives from for-profit organizations. The Bank Act requires that each Bank appoint an Advisory Council of persons drawn from ``community and not-for-profit organizations'' actively involved in providing or promoting low- and moderate-income housing in its district.\16\ Consistent with long-standing agency guidance, the proposed rule would clarify that ``community organizations'' may include for-profit organizations. ---------------------------------------------------------------------------

    \16\ See 12 U.S.C 1430(j)(11). ---------------------------------------------------------------------------

    Recommendations on Bank Targeted Community Lending Plans. FHFA's Community Support regulation requires the Banks to consult with their Advisory Councils and other groups in developing and implementing their Targeted Community Lending Plans. See 12 CFR 1290.6(a)(5)(iii). Proposed Sec.  1291.14(d)(1)(ii)(A) would include the parallel requirement for the Advisory Councils to provide recommendations to the Banks on their Targeted Community Lending Plans, and any amendments thereto.     No delegation. The proposed rule would clarify that a Bank's board of directors may delegate to a committee of the board, but not to Bank officers or other Bank employees, the responsibility to appoint persons as members of the Advisory Council. However, for the reasons discussed above, the proposed rule would provide that a Bank's board of directors may not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility to meet with the Advisory Council at the quarterly meetings required by the Bank Act.\17\ ---------------------------------------------------------------------------

    \17\ 12 U.S.C 1430(j)(11). ---------------------------------------------------------------------------

Proposed Sec.  1291.15 Agreements     Current Sec.  1291.9 governing the AHP contractual agreements that must be in place between the Banks and members, and between the members and project sponsors or project owners, would move to proposed Sec.   1291.15 The proposed rule would make a number of changes and clarifications to the provisions in this section, as discussed below.     Notice to Bank of LIHTC project noncompliance. Current Sec.   1291.9(a)(5)(ii) requires that members' AHP agreements with project sponsors state that such parties shall meet the AHP project monitoring requirements. The AHP monitoring requirements do not require the Banks to conduct monitoring of AHP projects that received LIHTCs during the AHP 15-***year*** retention period. Nor are LIHTC project sponsors required to send reports to the Banks of LIHTC noncompliance. Noncompliance with LIHTC income-targeting and rent requirements is the same as or substantially equivalent to noncompliance with AHP income-targeting and rent requirements. Although LIHTC project noncompliance is rare, instances of noncompliance with LIHTC income-targeting or rent requirements can occur during the AHP retention period, which would mean that the projects' incomes or rents likely are also in noncompliance with similar AHP requirements. However, the noncompliance would not come to the attention of a Bank during the AHP retention period because it is not monitoring the projects.     To address the possibility of such noncompliance by LIHTC projects, proposed Sec.  1291.15(a)(5)(ii) would require the members' AHP agreements with LIHTC project sponsors to include a provision requiring the sponsors to agree to provide prompt written notice to the Bank if the project is in noncompliance with the LIHTC income-targeting or rent requirements at any time during the AHP 15-***year*** retention period. A corresponding requirement that the Bank review such LIHTC project noncompliance notices received from project sponsors during the AHP retention period would be included in proposed Sec.  1291.50(c)(1)(ii).     FHFA specifically requests comments on the practicality of this requirement, and whether it should also be required of project sponsors in the event of noncompliance by projects with the income-targeting or rent requirements of the government housing ***programs*** discussed under Monitoring below.     Owner-occupied retention agreements. The proposed rule would eliminate the requirement in current Sec.  1291.9(a)(7) for a retention agreement under which AHP-assisted households must repay AHP subsidy to the Bank if they sell or refinance their homes under certain circumstances during the AHP five-***year*** retention period. The proposed rule would also make conforming changes to remove references to the owner-occupied retention agreements elsewhere in the regulation.     The owner-occupied retention agreement provides, specifically, that in the event of a sale or refinancing of the home by the AHP-assisted household during the five-***year*** retention period, an amount equal to a pro rata share of the AHP subsidy that financed the purchase or rehabilitation of the unit, reduced for every ***year*** the household owned the unit, shall be repaid by the household to the Bank from any net gain realized upon the sale or refinancing, unless:     (A) The unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance;     (B) the unit is sold to a very low-, or low- or moderate-income household; or     (C) following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism described in this paragraph.     The purpose of the retention agreement is to discourage ``flipping'' of the home by requiring households to repay AHP subsidy if they sell the home during the AHP retention period, unless one of the exceptions applies. The AHP provides subsidies which enable very low- and low- or moderate-income households to purchase or rehabilitate their homes and reap the benefits of wealth creation from homeownership. The AHP subsidy is not intended to be used by investors or landlords to purchase or rehabilitate and quickly sell homes to take advantage of rapidly appreciating housing prices in a neighborhood. The AHP retention agreement requirement is consistent with the retention agreement requirements of other government housing ***programs***, such as HUD's HOME Investment Partnerships ***Program*** (HOME), for households receiving subsidy for purchasing or rehabilitating owner-occupied units.     FHFA recognizes the moral hazard risk that may be associated with using subsidy intended to provide housing to low- or moderate-income households to flip properties. However, homes purchased by AHP-assisted households, by virtue of their low prices, are not typically located in neighborhoods with rapidly appreciating housing prices that would encourage flipping, especially given the low amount of AHP subsidy provided to the households--averaging $6,311 per household in 2016-- although exceptions may exist. Most AHP-assisted households do not sell their homes during the five-***year*** retention period and, if they do, they usually sell to another low- or moderate-income household or have no net gain, so the retention agreement does not apply in most situations, making its value questionable. Moreover, the underlying policy of the AHP has always been that the purpose of the AHP subsidy is to enable low- or moderate-income households to receive the benefits of homeownership including appreciation in the value of their homes and, thus, to minimize any AHP subsidy repayments. Repayments of AHP subsidy may be a financial burden on the households.

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    The Banks have also cited the administrative burdens on themselves and their members of having to obtain and track repayments of generally very small amounts of subsidy, obtaining the documentation to calculate whether there is a ``net gain'' on the sale, and determining whether the subsequent purchaser is a low- or moderate-income household. In particular, the Banks have noted the complications of trying to determine the net gain where a household used the AHP subsidy to rehabilitate its home without an accompanying purchase.     These considerations appear to outweigh the potential for deterring rare instances of flipping. Accordingly, FHFA is proposing to eliminate the retention agreement requirement for owner-occupied units. FHFA specifically requests comments on whether a retention agreement of some duration is necessary or desirable to ensure that AHP funds are being used for the statutorily-intended purposes and whether there are viable ways to deter potential flipping and address moral hazard risks other than through retention agreements (e.g , a prohibition against flipping in the AHP subsidy documentation). FHFA also requests comments on whether the proposed increase in the maximum permissible grant to households from $15,000 to $22,000 under the Homeownership Set-Aside ***Program***, discussed below, should impact this decision.     If, based on the comments received and other relevant factors, FHFA decides to retain an owner-occupied retention agreement requirement in the final rule, FHFA is raising a number of issues below for consideration.     Notice to the Bank. FHFA requests comments on whether a retention agreement, if retained in the final rule, should require that notice of a sale or refinancing be provided to both the Bank and its designee (typically the member), rather than to one or the other. This would facilitate ***Program*** operations by giving the Bank simultaneous notice. Also, it could facilitate repayment of AHP subsidy to the Bank in cases where a member subsequently fails and is subject to receivership actions by other federal agencies. Some Banks already require notice to the Bank.     AHP subsidy repayment calculation. FHFA requests comments on what subsidy repayment method should be required, if a retention agreement requirement is retained in the final rule. The current regulation requires the household to repay a pro rata portion of the subsidy from any net gain (unless an exception applies), but does not define ``net gain.'' A majority of the Banks calculate the net gain as the sales price minus the original purchase price, purchaser and seller paid costs, and capital improvement costs, and then apply the pro rata repayment requirement. Other Banks calculate the subsidy repayment amount using net proceeds identified on the Closing Statement, deducting the outstanding senior mortgage debt from the sales price, but adding the full amount of the AHP subsidy originally provided to the household. The calculation does not credit the household with its investments (principal ***payments***, down ***payment***, and substantive capital improvements), meaning there are always net proceeds (i.e , the amount of the AHP subsidy).     FHFA reviewed the subsidy repayment requirements of other government housing ***programs*** and, in particular, HUD's HOME Investment Partnership ***Program*** (HOME). One approach under this ***program*** calculates net proceeds as the sales price minus outstanding superior debt and seller paid costs, with the household recovering its entire investment first from the net proceeds, the Bank then recovering the subsidy on a pro rata basis, and any remaining net proceeds returned to the household. FHFA requests comments on the merits and disadvantages of this approach and the net gain approach discussed above from the standpoint of the AHP-assisted households and the Banks, and whether there are other subsidy repayment approaches FHFA should consider if a retention agreement requirement is retained in the final rule.     Proxies for determining that a subsequent purchaser is low- or moderate-income. FHFA also requests comments on what approaches should be specified in the retention agreement, if retained in the final rule, that would provide a reasonable basis to assume that the subsequent purchaser of an AHP-assisted unit is likely to be low- or moderate- income, including proxies that could serve this purpose. The subsequent purchaser of an AHP-assisted unit is not receiving any AHP subsidy and, therefore, has no reason or obligation to provide income documentation to the Bank or member indicating whether it is low- or moderate-income. This has made it difficult for the Banks and their members to determine subsequent purchaser incomes in order to apply the subsidy repayment exception.     FHFA requests comments on what proxies would be reasonable for assuming a subsequent purchaser's income, including the following: Certification from the subsequent purchaser or a third party that the subsequent purchaser's income is at or below the low- or moderate- income limit; evidence that the subsequent purchaser is receiving direct homebuyer assistance from another government ***program*** with household income targeting requirements substantially equivalent to those of the AHP; purchase price of the AHP-assisted unit is less than the median home price in the area; the AHP-assisted unit is located in a census tract or block group where at least 51 percent of the households are low- or moderate-income; or Federal Housing Administration (FHA) or other underwriting standards indicate that the income required to purchase the AHP-assisted unit at the purchase price is low- or moderate-income.     AHP subsidy repayment exception for $1,000 amount. FHFA also requests comments on whether there should be an exception to subsidy repayment in the retention agreement, if retained in the final rule, where the amount of AHP subsidy subject to repayment, after calculating the net proceeds or net gain, is $1,000 or less.     As discussed above, maintaining a subsidy repayment requirement in the retention agreement could help deter potential, but rare, flipping during the retention period. Setting a de minimis threshold of $1,000 may promote the goal of deterring flipping, while at the same time not financially burdening low- or moderate-income borrowers who may opt to sell their homes during their retention periods. It would also reduce the administrative obligations of the Banks and members associated with calculating and collecting pro rata shares of the AHP subsidies.     Termination of AHP subsidy repayment obligation. FHFA also requests comments on whether, if a retention agreement requirement is retained in the final rule, the rule should clarify that the obligation to repay AHP subsidy to a Bank shall terminate not only after any event of foreclosure, but also after ***transfer*** by deed in lieu of foreclosure, assignment of an FHA mortgage to HUD, or death of the owner(s) of the unit, which would be consistent with agency guidance.     Retention agreements for rental projects. The AHP 15-***year*** retention agreement requirement for rental projects in current Sec.  1291.9(a)(8) would be retained in proposed Sec.  1291.15(a)(7), with several proposed changes discussed below. Current Sec.  1291.9(a)(8) provides that if a rental project is sold or refinanced during the 15-***year*** retention period, the full amount of the

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AHP subsidy must be repaid to the Bank, unless the project continues to be subject to a retention agreement incorporating the income- eligibility and affordability restrictions committed to in the AHP application for the duration of the retention period, or the households are relocated under certain circumstances specified in the regulation. The requirement to repay the full amount of AHP subsidy, instead of a pro rata amount, is intended to discourage rental projects from being sold before the end of the retention period and converted to projects with market rate rents that low- or moderate-income households can no longer afford.     Notice to the Bank. As with owner-occupied agreements discussed above, FHFA requests comments on whether the retention agreement for rental projects should require that notice of a sale or refinancing of the rental project during the AHP 15-***year*** retention period be provided to both the Bank and its designee, rather than to one or the other. This would facilitate ***Program*** operations by giving the Bank simultaneous notice, and could facilitate repayment of AHP subsidy to the Bank in cases where a member subsequently fails and is subject to receivership actions by other federal agencies.     ***Transfer*** or assignment. Proposed 1291.15(a)(7) would clarify that the retention agreement would apply not only to a sale of the rental project, but also to a ***transfer*** or assignment of title or deed, during the retention period, as these forms of conveyance are the functional equivalent of sales.     Project sponsor qualifications. Current Sec.  1291.5(c)(10) provides that a project sponsor must be qualified and able to perform its responsibilities as committed to in the AHP application. Proposed Sec.  1291.21(b) on eligible applicants would clarify that a project sponsor includes all affiliates and team members such as the general contractor.     In addition, the proposed rule would add a requirement in the Agreements section at proposed Sec.  1291.15(b)(2) that the Bank's AHP subsidy application or other related form include project sponsor qualifications criteria that evaluate the ability of the project sponsor (including all affiliates and team members such as the general contractor) to perform the responsibilities committed to in the AHP application. The project sponsor qualifications section of the form would be required to include a requirement for the project sponsor to provide certifications or respond to specific questions about whether the project sponsor (and affiliates and team members such as the general contractor) have engaged in misconduct as defined and imputed in FHFA's Suspended Counterparty ***Program*** regulation,\18\ or as defined by the Bank. The Bank's AHP subsidy disbursement or other related form would also be required to include a requirement for similar certifications or questions for the project sponsor to complete prior to each disbursement of AHP subsidy. ---------------------------------------------------------------------------

    \18\ 12 CFR part 1227. ---------------------------------------------------------------------------

    The purpose of these requirements is to enable a Bank to identify any misconduct by the project sponsor so that the Bank can determine whether it should accept the AHP application or approve requests from the sponsor for disbursement of AHP subsidy. The proposed rule would provide that the project sponsor's affiliates and team members such as the general contractor must also meet the project sponsor qualification requirements in order for the project sponsor to be eligible for AHP subsidy.     The Suspended Counterparty ***Program*** regulation defines ``covered misconduct'' generally to mean a conviction or administrative sanction imposed by a federal agency involving fraud, embezzlement, theft, conversion, forgery, bribery, perjury, making false statements or claims, tax evasion, obstruction of justice, or any similar offense, in connection with a mortgage, mortgage business, mortgage securities, or other lending product. For AHP project sponsor qualifications purposes, a Bank may choose to define ``covered misconduct'' more broadly to also include, for example, convictions or administrative sanctions imposed by a state agency, pending investigations, noncompliance by the project sponsor (and affiliates and team members such as the general contractor) with other funders' requirements, pending claims, pending litigation, settlements of criminal or administrative charges, or criminal activity involving financial transactions more generally.     Application to existing AHP projects and units. Current Sec.   1291.9(c) on the application of AHP regulatory amendments to existing AHP projects would move to proposed Sec.  1291.15(c). Under this section, the provisions of the AHP regulation, as they may be amended from time to time, are deemed incorporated into all agreements between Banks, members, project sponsors, and project owners receiving AHP subsidies. However, no amendment to the regulation affects the legality of actions taken prior to the effective date of the amendment. Thus, if the owner-occupied retention agreements are eliminated in the final rule, households that currently have such agreements would no longer be subject to them upon the effective date of the final rule. Where households repaid AHP subsidy prior to the effective date of the final rule, they would not be entitled to a refund of their ***payments*** because the final rule would not have retroactive effect. Proposed Sec.  1291.16 Conflicts of Interest     Current Sec.  1291.10 addressing conflicts of interest by Bank directors, Bank employees and Advisory Council members would move unchanged to proposed Sec.  1291.16

Subpart C--General Fund and Targeted Funds

Proposed Sec.  1291.20 Establishment of ***Programs***     General Fund. Proposed Sec.  1291.20 would replace existing Sec.   1291.5(a) by requiring that instead of establishing a Competitive Application ***Program***, each Bank would be required to establish a General Fund pursuant to the requirements of this part.     Targeted Funds. Proposed Sec.  1291.20(b) would provide that a Bank may establish, in its discretion, a maximum of three Targeted Funds pursuant to the requirements of this part.     To address the risks of Targeted Funds, given their targeted nature, the proposed rule would include phase-in requirements for the Funds. Specifically, unless otherwise directed by FHFA, a Bank would be permitted to establish:     (1) One Targeted Fund;     (2) Two Targeted Funds to be administered concurrently, provided that the Bank administered at least one Targeted Fund in any preceding ***year***; or     (3) Three Targeted Funds to be administered concurrently, provided that the Bank administered at least two Targeted Funds in any preceding ***year***.     In addition, as discussed under the funding allocation provisions in proposed Sec.  1291.12(c)(1) above, the allocations to Targeted Funds would be subject to phase-in requirements.     Eligibility requirements. As discussed earlier, proposed Sec.   1291.20(c)(1) would require the Bank to adopt and implement controls, as specified in its AHP Implementation Plan, for ensuring that each Targeted Fund is designed to receive sufficient numbers of applicants for the amount of AHP funds allocated to the Targeted Fund to facilitate a genuinely competitive scoring process.

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    In addition, as under the current regulation, a Bank would not be authorized to adopt additional eligibility requirements for the General Fund and any Targeted Funds established by the Bank except as specifically authorized in the regulation. Proposed Sec.  1291.21 Eligible Applicants     Member applicants. The eligibility requirement for member applicants in existing Sec.  1291.5(b)(2) would move unchanged to proposed Sec.  1291.21(a), with the exception that the reference to the Competitive Application ***Program*** would be replaced with references to the General Fund and any Targeted Funds established by the Bank.     Project sponsor qualifications. The eligibility requirements in existing Sec.  1291.5(c)(10) for project sponsors applying for AHP funds in conjunction with members would move to proposed Sec.   1291.21(b), with the addition of the proposed documentation requirements discussed in the Agreements section above under proposed Sec.  1291.15(b)(2). The purpose of these requirements is to enable a Bank to identify any misconduct by the project sponsor so that the Bank can determine whether it should accept the AHP application or approve requests from the sponsor for disbursement of AHP subsidy. The proposed rule would provide that the project sponsor's affiliates and team members such as the general contractor must also meet the project sponsor qualification requirements for the project sponsor to be eligible for AHP subsidy. Proposed Sec.  1291.22 Funding Periods; Application Process     The funding period and application process requirements in existing Sec.  1291.5(b)(1), (b)(3), and (b)(4) would move unchanged to proposed Sec.  1291.22 Proposed Sec.  1291.23 Eligible Projects     Eligibility requirements. Proposed Sec.  1291.23 would be a new section setting forth the eligibility requirements for AHP projects, but comprising a number of existing provisions related to what constitutes an eligible project in current Sec.  1291.5(c). This section would include the eligibility requirements for owner-occupied and rental housing projects, project feasibility, timing of AHP subsidy use, retention agreements for rental projects, and compliance with fair housing laws. The existing eligibility requirement for a five-***year*** retention agreement for owner-occupied projects in Sec.   1291.5(c)(9)(i) would be removed, as discussed earlier.     Tenant income qualification in rental projects. FHFA considered altering the requirement in current Sec.  1291.5(c)(1)(ii) for tenant income qualification in rental projects that are occupied at the time of the application for AHP subsidy. Under the current provision, for rental projects that are not occupied at the time of application and are approved for AHP subsidy, the households must have incomes meeting the income targeting commitments in the approved AHP application upon initial occupancy of the rental units. For projects involving the purchase or rehabilitation of rental housing that are occupied at the time of AHP application, the households must have incomes meeting the income targeting commitments in the approved AHP application at the time of the AHP application. The purpose of qualifying current occupants' incomes at the time of AHP application is to discourage displacement of occupants whose incomes are higher than the income commitments in the approved AHP application.     FHFA considered allowing occupied projects to satisfy income targeting commitments at initial occupancy as with unoccupied projects. This change would increase the chances of occupied projects scoring successfully under the AHP where they target lower incomes than the current income mix of the occupants in the project. This could encourage more AHP subsidy awards for preservation of affordable rental housing through purchase or rehabilitation, which is an important housing priority in many areas. It would also account for tenant moves during the renovation process and the fact that new residents at different income levels may occupy the project at initial occupancy, when the rehabilitation is complete.     At the same time, FHFA is concerned that such a change could encourage displacement of current occupants whose incomes exceed those committed to in the approved AHP application because the project sponsor must meet its income targeting commitments. To mitigate this concern, proposed Sec.  1291.23(a)(2)(ii) would provide that, in order for the project to satisfy the income targeting commitments at initial occupancy, the project must have a relocation plan for those occupants not meeting the income targeting commitments that is approved by one of the project's primary funders. In the absence of a relocation plan, the households in the project must satisfy the income targeting commitments at the time of AHP application, as required in the current regulation.     FHFA specifically requests comments on how to encourage preservation of rental projects through the AHP while discouraging displacement of current occupants with higher incomes, including whether the proposed requirement for a relocation plan approved by the primary funder is reasonable. Proposed Sec.  1291.24 Eligible Uses     Eligible uses of AHP subsidy. Proposed Sec.  1291.24 would group together a number of provisions in current Sec.  1291.5(c) related to the eligible uses of AHP subsidy. These include the use of the AHP subsidy for purchase, construction, or rehabilitation of owner-occupied or rental housing, the need for AHP subsidy determination, reasonable project costs determinations, reasonable financing costs determinations, eligible counseling costs, eligible refinancing, optional Bank district eligibility requirements, and calculation of the AHP subsidy.     Prohibited uses of AHP subsidy. Proposed Sec.  1291.24 would also include the prohibited uses of AHP subsidy set forth in current Sec.   1291.5(c)(16). These prohibited uses are certain prepayment fees, fees for Bank cancellation of a subsidized advance commitment, and processing fees charged by members for providing AHP direct subsidies to a project.     Proposed Sec.  1291.24(b)(4) would add that, consistent with current practice, capitalized reserves, periodic deposits to reserve accounts, operating expenses, and supportive services expenses are not eligible uses of AHP subsidy.     Need for AHP subsidy. The need for AHP subsidy eligibility requirement in current Sec.  1291.5(c)(2) would move to proposed Sec.   1291.24(a)(3), with clarifying changes. The current regulation requires that to be eligible for AHP subsidy, rental projects must demonstrate: (1) A need for the AHP subsidy; (2) developmental and operational feasibility; and (3) cost reasonableness. The regulation states that the estimated sources of funds for a project must equal its estimated uses of funds, as reflected in the project's development budget. Where the project's uses of funds exceed its sources of funds, the difference demonstrates a funding gap and a need for AHP subsidy.     Some stakeholders have pointed to the regulatory language, as well as preamble language from an earlier AHP rulemaking, to support their contention that, for rental projects, the Banks are only required to review the project's development budget and not its operating pro forma in determining its need for AHP subsidy. However, long-standing policy and practice has been that the Banks review both the project

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development budget and the operating pro forma in determining the project's need for AHP subsidy.     As a policy matter, it is important for the Banks to review a rental project's operating pro forma as well as its development budget. The Bank must review the project's development budget to confirm a funding gap between the sources and uses of funds. The Bank must review the project's operating pro forma to assess the reasonableness of cash flow. A debt coverage ratio or cash flow amount that exceeds the Bank's feasibility standards can indicate that the project does not need the full amount of AHP subsidy requested, especially in cases where the primary funder's requirements or special project circumstances do not explain or justify the excess.     The following discussion clarifies how the Banks should evaluate under the proposed rule that a project's cash flow and costs are reasonable, and how the Banks should perform the need for subsidy analysis in cases where (1) capitalized reserves exceed a Bank's project cost guidelines; (2) supportive services are provided; and (3) the cash flow or debt coverage ratio exceeds a Bank's project cost guidelines.     Capitalized Reserves in Projects' Development Budgets. Development budgets frequently include capitalized reserves, although AHP subsidy may not be used to fund such reserves under the Bank Act and AHP regulation. At reasonable levels, capitalized reserves are appropriate to ensure that projects remain viable throughout their AHP 15-***year*** retention periods. Project development budgets must incorporate all capitalized costs, including reserves.     When capitalized reserves exceed the project cost guidelines established by a Bank, the Bank must evaluate the reasonableness of these reserves. Such analysis includes assessing whether the capitalized reserves are required by the project's primary funders. However, the Bank has the discretion to determine that the reserves are not reasonable even if they are required or permitted by a project's primary funders.     In very rare instances with non-LIHTC projects, a Bank may allow a project to exceed the Bank's project cost guidelines for capitalized reserves even when the primary funders do not require additional reserves. For LIHTC projects, the limited partnership agreement typically serves as the final determinant on the maximum allowable amount of capitalized reserves.     Supportive Services Expenses in Operating Pro Formas. AHP subsidy may not fund supportive services expenses under the Bank Act and AHP regulation. As part of the project application review, FHFA expects the Banks to require a separate supportive services budget that captures income and expenses for all supportive services activities to ensure they can be reasonably offered. However, for projects where a government entity provides operating subsidies that fund both housing operating costs and supportive services and these operating subsidies cannot be readily bifurcated, the supportive services income and expenses should be captured in the project's operating pro forma.     When a project expects to pay for supportive services expenses from cash flow, the supportive services budget should indicate project cash flow as the income source. A Bank must review the supportive services budget to determine whether there is adequate income to pay for the supportive services.     Cash Flow and Its Impact on Need for AHP Subsidy. In instances where a project's operating pro forma reflects cash flow or a debt coverage ratio that exceeds the Bank's feasibility guidelines, the Bank must assess whether the excess cash flow could have reasonably been used for debt service on a larger loan and thereby could supplant part, or all, of the AHP subsidy. FHFA acknowledges that it is difficult for a completed affordable housing project to obtain an increase in its debt commitments. In such cases, the Bank should determine if the project continues to require the full amount of the AHP subsidy and recapture subsidy as appropriate. A project may exceed a Bank's feasibility guidelines for cash flow or debt coverage ratio when the underwriting guidelines of the primary funder of the project require higher thresholds and the Bank concurs that the requirements are reasonable or when reasonable written support from the project sponsor demonstrates that circumstances require additional cash flow or a higher debt coverage ratio to maintain the operational viability of the project.     In summary, FHFA proposes to clarify in the regulation that the Banks must base the need for AHP subsidy determination for rental projects on both the project's development budget and its operating pro forma. This will help ensure that projects will not be over-subsidized through AHP funds.     Sponsor-provided permanent financing to homeowners. The requirements in current Sec.  1291.5(c)(2)(ii) for sponsor-provided permanent financing would move unchanged to proposed Sec.   1291.24(a)(3)(ii). The regulation provides that when a Bank determines the need for AHP subsidy in homeownership projects where the sponsor extends permanent financing to the homebuyer, the sponsor's cash contribution (which is included in the project's cash sources of funds) shall include the present value of any ***payments*** the sponsor is to receive from the buyer, including any cash down ***payment*** from the buyer, plus the present value of any purchase note the sponsor holds on the unit. If the note carries a market interest rate commensurate with the credit quality of the buyer, the present value of the note equals the face value of the note. If the note carries an interest rate below the market rate, the present value of the note shall be determined using the market rate to discount the cash flows.     Some stakeholders requested that FHFA remove this provision, citing the complexity of the calculation. Others suggested that the sponsors should be treated like revolving loan funds under the regulation, as their financing model essentially operates as a revolving loan fund. As further discussed below under proposed Sec.  1291.29, FHFA is considering undertaking a separate rulemaking for revolving loan funds, which could include sponsor-provided permanent financing. FHFA specifically requests comments on whether the current AHP requirements for sponsor-provided permanent financing are reasonable, including whether the sponsors have a need for AHP subsidy in light of their particular financing model, and whether the current method in the regulation for determining their need for AHP subsidy understates or overstates the amount of AHP subsidy needed. FHFA also requests comments on whether sponsors using this financing model should be considered revolving loan funds and, if so, whether they should be subject to current or different AHP revolving loan fund requirements.     Optional Bank district eligibility requirements--maximum subsidy limits. Proposed Sec.  1291.24(c) would retain the provision in current Sec.  1291.5(c)(15) allowing a Bank, in its discretion, to adopt a requirement that the amount of AHP subsidy requested for a project does not exceed limits established by the Bank as to the maximum amount of AHP subsidy available per member, per project, or per project unit in a single AHP funding period, with several proposed changes. Any such eligibility requirements adopted by a Bank would be required to be included in its AHP Implementation Plan.     Maximum subsidy limit per member each ***year***. The proposed rule would remove the reference to ``per member

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each ***year***'' as unnecessary because it can be factored into the subsidy limit per member in a single AHP funding period, especially as no Bank currently conducts more than one AHP funding period per ***year***.     Maximum subsidy limit per project sponsor. The proposed rule would revise the regulation to allow a Bank to adopt a maximum subsidy limit per project sponsor in a single AHP funding period. A Bank might choose to establish such a limit in order to provide opportunities for smaller or less experienced project sponsors to compete successfully for AHP subsidies. On the other hand, a project sponsor limit could prevent worthy projects developed by larger, more experienced sponsors from receiving AHP subsidy. FHFA specifically requests comments on the potential advantages and disadvantages of allowing the Banks to impose a maximum subsidy limit per project sponsor.     Number of maximum subsidy limits per Fund. Consistent with agency guidance for the Competitive Application ***Program***, the proposed rule would provide that a Bank may establish only one maximum AHP subsidy limit per member, per project, or per project unit for the General Fund and for each Targeted Fund, which shall apply to all applicants to the specific Fund. This would also apply to the proposed maximum subsidy limit per sponsor. The purpose of this requirement is to ensure consistency, clarity, and a level playing field for all applicants to a specific Fund, and reduce administrative burden for the Banks in trying to determine different subsidy limits for different regions or types of projects.     The proposed rule would further provide that the maximum AHP subsidy limit per project or per project unit may differ for each Fund. This is intended to allow the Banks to create maximum subsidy limits for each Fund that address the specific characteristics of project applicants for that Fund. For instance, a Bank may want to establish a higher maximum subsidy limit per project for a Targeted Fund focused on certain geographies or development types in light of differences in housing development costs, such as high-cost areas or projects where most units contain three or more bedrooms to accommodate larger households.     Applications to multiple Funds--subsidy amount. Proposed Sec.   1291.24(d) would provide that if an AHP application for the same project is submitted to more than one Fund in the same AHP funding period, each application must be for the same amount of AHP subsidy. This would ensure that the project demonstrates the same need for subsidy in each application. If the project sponsor applied for a different amount of subsidy in each application, it would raise questions about whether the project would be over-subsidized if awarded the higher amount of subsidy. Proposed Sec.  1291.25 Scoring Methodology     Bank scoring methodology. The proposed rule would revise current Sec.  1291.5(d) by removing the required scoring framework specified in the regulation, with its mandatory scoring criteria, minimum scoring points allocations and related definitions, and requiring each Bank to devise its own scoring methodology. Each Bank's scoring methodology would be required to set forth competitive application scoring criteria, related definitions and point allocations under a 100-point scale for the Bank's General Fund and any Targeted Fund. The Bank would be required to score applications received for a particular Fund pursuant to the applicable scoring methodology for that Fund.     The Bank's scoring methodology may be different for each Fund. The Bank's scoring criteria for each Fund must be justified in the Bank's Targeted Community Lending Plan and specified in its AHP Implementation Plan. The Bank would need to design its scoring criteria and point allocations to ensure that the Bank will meet the outcome requirements for the statutory and regulatory priorities under proposed Sec.   1291.48, as further discussed below. Each scoring methodology may include scoring criteria addressing specific affordable housing needs in the Bank's district (Bank district priorities) that differ from the affordable housing needs specified under the statutory and regulatory priorities, as long as the outcome requirements specified in proposed Sec.  1291.48 are achieved.     FHFA considered whether to allow the Banks complete discretion to determine how to allocate and award their AHP funds by removing the scoring criteria for the current Competitive Application ***Program*** and the current minimum and maximum AHP funding allocation requirements for that ***program*** and the Homeownership Set-Aside ***Program***. While such discretion might enable the Banks to better target specific affordable housing needs in their districts, it is not included in the proposed rule for several reasons.     First, it would allow a Bank to allocate and approve all of its AHP funds through noncompetitive processes. In contrast, the current regulation requires each Bank generally to award at least 65 percent of its total AHP funds through the Competitive Application ***Program***,\19\ which helps ensure access to the limited pool of AHP funds available each ***year*** for a wide variety of applicants. Second, it would allow a Bank to allocate all of the AHP funds for only one purpose, such as homeownership or rental housing, which would be inconsistent with the statute which requires that both homeownership and rental housing be funded.\20\ Third, it would contravene the statutory requirement that FHFA establish priorities for the use of the AHP funds, as only the Banks would be establishing such priorities.\21\ ---------------------------------------------------------------------------

    \19\ As discussed previously, if a Bank with lower earnings allocates the alternative maximum amount of $4.5 million to its Homeownership Set-Aside ***Programs***, it may allocate less than 65 percent of its total AHP funds through its Competitive Application ***Program***.     \20\ 12 U.S.C 1430(j).     \21\ 12 U.S.C 1430(j)(9)(B). ---------------------------------------------------------------------------

    In-district projects. The proposed rule would retain the option under the Bank First District Priority in current Sec.   1291.5(d)(5)(vi)(L) for a Bank to adopt in its scoring methodology a scoring criterion for housing located in the Bank's district, but would provide at proposed Sec.  1291.25(c) that a Bank shall not use the scoring criterion as a way to exclude all out-of-district projects from its General Fund. This provision strengthens the statement in the preamble to the 2006 AHP final rule that a Bank should not use the scoring criterion in this way by explicitly prohibiting it in the regulation.     Scoring tie-breaker policy. The proposed rule would require the Banks to establish scoring tie-breaker policies to address the possibility of two or more applications receiving identical scores in the same AHP funding period where there is insufficient AHP subsidy to approve all of the tied applications. The proposed requirements for the scoring tie-breaker policies are consistent with guidance FHFA has provided to the Banks. Proposed Sec.  1291.26 Approval of AHP Applications     Approvals generally. Consistent with the application approval requirements in the current regulation, the proposed rule would provide generally that a Bank's board of directors shall approve (i.e , award) applications for AHP subsidy under the General Fund and any Bank Targeted Funds that meet all of the applicable AHP eligibility requirements, in descending order

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starting with the highest scoring application until the total funding amount for the particular AHP funding period, except for any amount insufficient to fund the next highest scoring application, has been approved.     Alternates. As under the current Competitive Application ***Program***, for the General Fund, the Bank's board of directors would be required to approve at least the next four highest scoring applications as alternates, but in a change from the current regulation, would be required to fund those alternates within one ***year*** of approval if any previously committed AHP subsidies become available. This is intended to ensure that Banks award AHP funds to alternates in the General Fund as opposed to selecting alternates but ***transferring*** AHP funds from the General Fund to the Bank's Homeownership Set-Aside ***Program*** or Targeted Funds instead. The Banks may need to consider selecting more than four alternates under their General Fund in order to be able to fully commit any uncommitted funds that ***transfer*** from their Targeted Funds to their General Fund. For any Bank Targeted Funds, the Bank may, in its discretion, approve alternates.     As discussed above under the scoring tie-breaker policies in proposed Sec.  1291.25(d), and consistent with current FHFA guidance to the Banks, where there is insufficient AHP subsidy to approve all tied applications, the Bank must approve a tied application as an alternate if it does not prevail under the scoring tie-breaker methodology, or if it is tied with another application but requested more subsidy than the amount of AHP funds that remain to be awarded.     Applications to multiple Funds--approval under one Fund. The proposed rule would provide that if an application for the same project is submitted to more than one Fund at a Bank in an AHP funding period and the application scores high enough to be approved under each Fund, the Bank shall approve the application under only one of the Funds, which the Bank shall select pursuant to the Bank's policy established in its AHP Implementation Plan. For example, a Bank's policy could provide that any project that is competitive in multiple Funds will be approved under the General Fund.     Re-ranking of scored applications and alternates. To satisfy the outcome requirements for the statutory and regulatory priorities in proposed Sec.  1291.48, a Bank would be permitted to deviate from the normal descending ranking selection order only to the minimum extent necessary by re-ranking scored applications and alternates meeting the outcome requirements above the lowest scoring applications and alternates not meeting the outcome requirements. A Bank would be required to describe the possibility of re-ranking in its AHP Implementation Plan.     FHFA specifically requests comments on possible approaches for re- ranking applications to meet the outcome requirements while at the same time maximizing the extent to which the highest scoring applications are approved.     No delegation. The proposed rule would provide that a Bank's board of directors may not delegate to a committee of the board the responsibility to approve or disapprove the AHP subsidy applications and alternates under the Bank's General Fund and any Targeted Funds, for the reasons discussed above. Proposed Sec.  1291.27 Modifications of Approved AHP Applications     The provisions for modifications of approved AHP applications would be moved from current Sec.  1291.5(f) to proposed Sec.  1291.27, and would include a number of clarifying and other changes.     Approval of modifications. The proposed rule would provide that if the requirements for a modification (other than a request for AHP subsidy increase) are satisfied, the Bank must approve the modification request. This a change from the current regulation which allows for Bank discretion in approving a modification request. One of the requirements for approving a modification is that the project, as modified, must rescore successfully in its original AHP funding period. If a project rescores successfully and other modification requirements are satisfied, there should be no reason for the Bank to fail to approve the modification.     Cure of noncompliance. The proposed rule would add a requirement that before a Bank may approve a modification request, it must have first requested that the project cure any AHP noncompliance, and subsequent to the request, the cure was unsuccessful within a reasonable period of time. This is consistent with the proposed new ``waterfall'' provisions for remedying project noncompliance discussed in the Remedial Actions for Noncompliance section. The proposed waterfall provision would provide that in the event of project noncompliance, a project must first attempt to cure the noncompliance within reasonable period of time before the Bank may consider approving a project modification or recapturing AHP subsidy from the project.     Rescoring of application. The current regulation includes a requirement that the application, as reflective of the changes requested, must continue to score high enough to have been approved in the funding period in which it was originally scored and approved by the Bank. Questions have arisen as to what it means to score high enough where a Bank also approved applications as alternates during the original funding period. The proposed rule would clarify that the application must continue to score as high as the lowest ranking alternate that was not just selected as an alternate but approved for funding by the Bank in the application's original funding period.     Good cause. The current regulation also requires that there be good cause for a modification, with the Bank's analysis and justification for the modification documented in writing. The proposed rule would clarify that remediation of project noncompliance is not, in and of itself, good cause for a modification. There must be some other reasonable justification for the modification, such as a change in market conditions, or loss of a major employer in the community, that makes it difficult to find households at the incomes committed to in the project's AHP application to occupy the targeted units in the project. Otherwise, there would be less of an incentive to cure noncompliance if project sponsors knew they could simply request a modification of the project terms to no longer be in noncompliance.     The proposed rule would also make technical changes to the language to clarify any ambiguity about the requirement that requests for subsidy increase modifications must also meet the requirements for approval in paragraph (a) of this section. Proposed Sec.  1291.28 Procedures for Funding     The procedures for AHP funding would carry over from existing Sec.   1291.5(g) to proposed Sec.  1291.28 with two proposed changes.     Notification under subsidy re-use ***programs***. Current Sec.   1291.5(g)(6) requiring project sponsor notification to the Bank and member of the reuse of repaid AHP direct subsidy where the Bank has authorized a subsidy re-use ***program*** under Sec.  1291.8(f)(2) would be removed. Subsidy re-use ***programs*** would no longer be operable if subsidy repayment obligations are removed in conjunction with discontinuation of the owner-occupied retention agreements.

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    Bank board duties and delegation. Current Sec.  1291.5(h) addressing Bank board duties and delegations would be removed as the duties and delegations would be addressed elsewhere in the proposed rule. Proposed Sec.  1291.29 Lending and Re-Lending of AHP Direct Subsidy by Revolving Loan Funds     Current Sec.  1291.5(c)(13) addressing the requirements for lending and re-lending of AHP direct subsidies by revolving loan funds would move to proposed Sec.  1291.29, with proposed changes related to the proposed elimination of the owner-occupied retention agreement requirement and other issues discussed below.     The authority for the Banks to provide AHP direct subsidies to revolving loan funds for purposes of lending and re-lending was added in the AHP regulation in 2006. The revolving loan fund provisions were designed for distinct projects in specific locations, or for pipelines of expected projects meeting specific criteria that the revolving loan fund anticipates funding and that would be specified in its AHP application. Under the regulation, the revolving loan fund may be scored on the specific criteria it establishes in its AHP application for its pipeline of projects, without having to actually identify specific projects in the AHP application.     These types of revolving loan funds that were expected to be able to participate in the AHP either no longer exist or have evolved into different financing models. Current revolving loan funds are financing ***programs*** that utilize interest and principal ***payments*** on current loans to make new loans. The sources and uses of revolving loan funds are typically hypothetical in nature, based on future lending expectations, and the prospective households requiring assistance are yet to be determined. Revolving loan funds have faced challenges meeting certain AHP eligibility requirements, such as the subsidy repayment requirement under the five-***year*** owner-occupied retention agreement, and receiving sufficient numbers of points under certain scoring criteria to receive an AHP award for purposes of lending and re-lending the grant. Revolving loan funds have received AHP grants for use as a one-time pass-through to identified projects, not for lending and re-lending of the subsidy to such projects or anticipated future projects.     To address these challenges, FHFA is considering undertaking a separate rulemaking on the current AHP revolving loan funds provisions. FHFA requests comments on the current AHP revolving loan fund provisions and how the financing mechanisms of revolving loan funds could be used successfully with AHP subsidies. FHFA specifically requests comments on why certain AHP scoring criteria have been difficult to meet, how the AHP retention periods could be satisfied, how AHP subsidy would be repaid in the event of project noncompliance, and how the revolving loan fund can demonstrate a need for the AHP subsidy. FHFA also requests comments on whether and how the proposed outcome requirements for the statutory and regulatory priorities discussed under proposed Sec.  1291.48 might facilitate use of AHP subsidies by revolving loan funds.     The proposed rule would eliminate the requirement for retention agreements for all owner-occupied units, including those funded by revolving loan funds. FHFA specifically requests comments on the potential positive or negative impacts of eliminating the owner- occupied retention agreement requirement for revolving loan funds. Proposed Sec.  1291.30 Use of AHP Subsidy in Loan Pools     Current Sec.  1291.5(c)(14) addressing the requirements for use of AHP subsidies in loan pools would move to proposed Sec.  1291.30, with the proposed change to remove the requirement for owner-occupied retention agreements in current paragraph Sec.  1291.5(c)(14)(iii).     The authority for the Banks to provide AHP subsidy to loan pools was added in the AHP regulation in 2006. The regulation establishes specific conditions under which a Bank may provide AHP subsidies under its Competitive Application ***Program*** for the origination of first mortgage loans or rehabilitation loans with subsidized interest rates to AHP-eligible households through a purchase commitment by an entity that will purchase and pool the loans.     FHFA is not aware that any loan pools meeting these conditions have applied for AHP subsidy since the regulatory authority was added in 2006. FHFA is also unaware of any loan pools of this type currently existing in the housing market. Therefore, FHFA is considering removing the loan pool provisions from the regulation. FHFA specifically requests comments on whether there are loan pools currently operating in the market that meet the conditions in the regulation, how the loan pools are addressing current housing market needs, and the potential positive or negative impacts of eliminating the owner-occupied retention agreement requirement for loan pools.

Subpart D--Homeownership Set-Aside ***Programs***

Proposed Sec.  1291.40 Establishment of ***Programs***     The current provision addressing Bank establishment of Homeownership Set-Aside ***Programs*** would move from Sec.  1291.6(a) to proposed Sec.  1291.40 The proposed rule would emphasize that these ***programs*** are optional by adding that a Bank may establish such ***programs*** ``in its discretion.'' The proposed rule would also include a requirement that a Bank's justifications for establishing such ***programs*** be included in its Targeted Community Lending Plan, as provided in proposed Sec.  1291.13(a). Proposed Sec.  1291.41 Eligible Applicants     The proposed rule would move the current provision on applications from members unchanged from Sec.  1291.6(b) to proposed Sec.  1291.41 Proposed Sec.  1291.42 Eligibility Requirements     The provisions in current Sec.  1291.6(c) on eligibility requirements would move to proposed Sec.  1291.42, with several proposed changes discussed below.     Adoption of additional eligibility requirements. FHFA has provided informal guidance to Banks about the extent to which the Banks may adopt eligibility requirements under their Homeownership Set-Aside ***Programs*** beyond those set forth in this section. Consistent with the guidance, the proposed rule would clarify that the Banks may not adopt additional eligibility requirements under their Homeownership Set-Aside ***Programs*** except those related to household eligibility, pursuant to proposed Sec.  1291.42(b)(3).     One-third allocation requirement--first-time homebuyers and owner- occupied rehabilitation. As discussed in the funding allocation section under proposed Sec.  1291.12(b) above, the current regulation requires that at least one-third of a Bank's annual Homeownership Set-Aside ***Program*** funding allocation be for first-time homebuyers. The proposed rule would authorize the Banks to include first-time homebuyers and households receiving set-aside funds for owner-occupied rehabilitation in the one-third allocation. Conforming language for households receiving set-aside funds for owner-occupied rehabilitation would be added in this section of the proposed rule.

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    Maximum grant amount. Current Sec.  1291.6(c)(3) states that members may provide set-aside grants to households in an amount up to a maximum of $15,000 per household, as established by the Bank in its AHP Implementation Plan, which limit shall apply to all households. The proposed rule would authorize the Banks to provide up to $22,000 per household, subject to automatic annual upward adjustment in accordance with FHFA's Housing Price Index (HPI).     The purpose of the proposed increase in the subsidy limit is to respond to increases in the costs associated with buying or rehabilitating homes in high cost areas, as well as the high costs of certain types of rehabilitation generally. It would also bring the subsidy limit in line with changes in the HPI since 2002, when the $15,000 subsidy limit was established in the regulation. For example, the HPI shows that $15,000 in January 2002 has approximately the same buying power as $21,500 today.\22\ The proposed rule would also clarify that a Bank may establish a different maximum subsidy per household limit for each Homeownership Set-Aside ***Program*** it establishes. ---------------------------------------------------------------------------

    \22\ See FHFA HPI, [*https://www.fhfa.gov/DataTools/Downloads/pages/house-price-index.aspx*](https://www.fhfa.gov/DataTools/Downloads/pages/house-price-index.aspx) ---------------------------------------------------------------------------

    Many of the Banks have set their subsidy limits below $15,000, with a number of Banks at $5,000. In 2016, the average set-aside grant per household was $6,311. Several stakeholders recommended that FHFA increase the subsidy limit due to increases in the costs associated with buying or rehabilitating homes in high cost areas, which in some areas are substantially higher than the rest of the country. Banks located in high cost areas are more likely to take advantage of a higher subsidy limit because of the higher costs in their districts.     Increasing the subsidy limit could also have a significant impact on housing rehabilitation in all districts. The demand for rehabilitation is likely to increase as the country's population ages.\23\ Expenses for certain types of rehabilitation, such as replacing a roof, windows, doors, or HVAC system, or installing a wheelchair ramp, often exceed $15,000. The older a home, the more likely it needs repairs and systems replaced. According to the U.S Census Bureau, 18.7 percent of all housing units in the United States were built before 1950 and are, therefore, more likely to require rehabilitation.\24\ A higher subsidy limit would increase the Banks' ability to address high costs associated with buying and rehabilitating homes. While lower subsidy limits help ensure that more households have access to set-aside subsidies, the households may need to find additional sources of funds to help them pay for the full costs associated with buying or rehabilitating a home. ---------------------------------------------------------------------------

    \23\ Housing America's Older Adults, Harvard Joint Center for Housing Studies, September 2, 2014. [*http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing\_americas\_older\_adults\_2014-ch4.pdf*](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-housing_americas_older_adults_2014-ch4.pdf)     \24\ See U.S Census Bureau, 2015 American Community Survey,   [*https://www.census.gov/****programs****-surveys/ahs/*](https://www.census.gov/programs-surveys/ahs/). ---------------------------------------------------------------------------

    Bank adoption of the proposed higher subsidy limit could result in fewer households receiving set-aside subsidies, but Banks could choose to offset this by increasing the maximum amount of AHP funds they allocate to their set-aside ***programs*** from 35 to 40 percent, as would be permitted under the proposed rule. In addition, most Banks have established subsidy limits below the current $15,000 limit. Thus, FHFA believes that an increase in the subsidy limit to $22,000 is not likely to result in a significant overall reduction in the number of households assisted by the Banks under their set-aside ***programs***.     The proposed rule would provide that the $22,000 subsidy limit would be subject to an automatic annual upward adjustment only, in accordance with the HPI. As noted above, the current $15,000 subsidy limit was established in the regulation in 2002. The regulation does not provide for an automatic HPI adjustment. Increasing the subsidy limit to $22,000 would reflect increases in the HPI since that time. Rather than periodically revise the subsidy limit by regulation to account for future housing price increases, the proposed rule would provide for automatic HPI upward adjustments to the subsidy limit. The subsidy limit would adjust upward, but not downward, in response to changes in the HPI. In the event of a decrease in the HPI, the subsidy limit would remain at its then-current level until the HPI increased above the subsidy limit, at which point the subsidy limit would adjust to that higher level. FHFA would notify the Banks annually of the maximum subsidy amount based on the HPI.     FHFA specifically requests comments on any potential positive and negative impacts of increasing the subsidy limit from $15,000 to $22,000, including whether the subsidy limit should be higher or lower. FHFA also requests comments on use of the HPI to automatically adjust the subsidy limit upward over time, and whether other housing price adjustment indices would be preferable and why. Proposed Sec.  1291.43 Approval of AHP Applications     Current Sec.  1291.6(d) would move unchanged to proposed Sec.   1291.43 It provides that a Bank shall approve applications for AHP direct subsidy under its Homeownership Set-Aside ***Program*** in accordance with the Bank's criteria governing the allocation of funds. Proposed Sec.  1291.44 Procedures for Funding     Current Sec.  1291.6(e) on the procedures for funding would move unchanged to proposed Sec.  1291.44

Subpart E--Outcome Requirements for Statutory and Regulatory Priorities

Proposed Sec.  1291.48 Outcome Requirements for Statutory and Regulatory Priorities     The current regulation's point-based project selection system serves as a means of ensuring that project awards reflect housing priorities established by the Bank Act.\25\ The regulation achieves prioritization of these statutory priorities by requiring each Bank, in developing its 100-point scoring system, to allocate at least 5 points each to two statutory priorities--a combined 10 points minimum.\26\ The Bank Act also requires that FHFA establish priorities for the use of the AHP funds.\27\ To implement this requirement, the current regulation includes five regulatory priorities addressing specific housing needs, with each such scoring criterion required to receive a minimum of 5 points, except for one scoring criterion receiving a minimum of 20 points--a combined 40 points minimum. The remaining maximum of 50 points are allocated by the Banks to priority housing needs in the Banks' district that are selected by the Banks. ---------------------------------------------------------------------------

    \25\ 12 U.S.C 1430(j)(3).     \26\ 12 CFR 1291.5(d)(5)(i), (ii).     \27\ 12 U.S.C 1430(j)(9)(B). ---------------------------------------------------------------------------

    There are a number of benefits associated with the current scoring system. It establishes a degree of uniformity among various scoring criteria that all of the Banks must include, thereby prioritizing certain pressing affordable housing needs existing throughout the country, and facilitating project sponsors' applications for AHP subsidy at multiple Banks. In addition, it provides flexibility for the Banks in how they allocate the points beyond the required minimums to target specific housing needs in their districts, the ability to

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choose which types of populations to target within certain scoring criteria, and the ability to include other district housing needs selected by the Banks, which may be allocated up to half of all points.     After considering input from Bank CIOs and stakeholders, FHFA believes that the Banks may be able to more effectively target specific housing needs in their districts through a more flexible scoring system. FHFA considered how to incorporate in the regulation greater flexibility for the Banks to design their own scoring systems, while at the same time to ensure that FHFA is establishing priorities for the use of the AHP funds as required by the statute. FHFA believes that the proposed rule would achieve an appropriate balance between these two objectives by authorizing the Banks to design their own scoring systems, subject to each Bank's AHP awards under its scoring system meeting specific outcome requirements established by FHFA in the regulation. The Banks would be required to demonstrate satisfaction of the outcome requirements each ***year***. FHFA notes that comparable housing ***programs*** (e.g , HUD's HOME Investment Partnerships ***Program*** and Housing Opportunities for Persons with HIV/AIDS) are administered pursuant to outcome-based evaluation criteria. The proposed AHP outcome requirements are further discussed below. Statutory Priorities for Government Properties and Project Sponsorship     Proposed Sec.  1291.48(a) would require that, each ***year***, each Bank must award at least 55 percent of the total AHP funds allocated to its General Fund and any Bank Targeted Funds to projects that meet the priority for the use of donated or conveyed government-owned or other properties (``government properties priority''), or the priority for projects sponsored by a not-for-profit organization or government entity (``project sponsorship priority''). These priorities, which correspond to those established by the Bank Act,\28\ would be retained unchanged from current Sec.  1291.5(d)(5)(i), (ii). While certain projects may meet both of these priorities, any awards counted towards meeting one of the priorities could not also be counted towards meeting the other priority, in order not to distort the calculation of the 55 percent. ---------------------------------------------------------------------------

    \28\ 12 U.S.C 1430(j)(3)(B), (C). ---------------------------------------------------------------------------

    Under the proposed standard, a Bank could satisfy the outcome requirement if it awarded 55 percent or more of total funds to projects meeting one of the priorities, and none to the other priority. FHFA considered requiring a Bank to award a specified minimum percentage of total funds to each priority. However, in the ***Program***'s experience, a relatively limited number of projects satisfy the government properties priority. During the period 2012 through 2016, for example, only 2.5 percent of total AHP funds were awarded to projects that used properties meeting the government properties priority. Most AHP projects currently meet the project sponsorship priority. Accordingly, FHFA expects that the overwhelming majority of projects that would satisfy the proposed outcome requirement would do so by meeting the project sponsorship priority.     FHFA also considered requiring a Bank to award at least 55 percent of its required annual AHP contribution (which includes the funds allocated not only to its General Fund and any Bank Targeted Funds but also to any Bank Homeownership Set-Aside ***Programs***) to these two statutory priorities. FHFA anticipates that most Banks will take advantage of the opportunity to expand their allocations of AHP funds to their Homeownership Set-Aside ***Programs*** if the proposed increase in the annual set-aside allocation from 35 to 40 percent is adopted in the final rule. However, grant recipients under the Homeownership Set-Aside ***Program*** are households, not project sponsors, and therefore cannot meet the project sponsorship priority. In addition, the households generally do not purchase government properties. Thus, funds awarded under Homeownership Set-Aside ***Programs*** generally could not be counted towards meeting these statutory priorities. To enable the Banks to take full advantage of the proposed higher set-aside allocation, the proposed rule would limit this proposed outcome requirement to 55 percent of total funds allocated to the General Fund and any Bank Targeted Funds. Statutory Priority for Purchase of Homes by Low- or Moderate-Income Households     Proposed Sec.  1291.48(b) would require that, each ***year***, each Bank must award at least 10 percent of its annual required AHP contribution to low- or moderate-income households, or to projects targeting such households, for the purchase by such households of homes under any or some combination of the Bank's General Fund, any Bank Targeted Funds, and any Bank Homeownership Set-Aside ***Programs***. This is consistent with the priority in the Bank Act for the purchase of homes by low- or moderate-income families (``home purchase priority'').\29\ ---------------------------------------------------------------------------

    \29\ 12 U.S.C 1430(j)(3)(A). ---------------------------------------------------------------------------

    Based on the Banks' widespread use of Homeownership Set-Aside ***Programs*** since their authorization, the home purchase priority has been consistently prioritized by the Banks, and FHFA expects this to continue given the continuing and significant demand by households for set-aside funds for home purchases. However, because the establishment of Homeownership Set-Aside ***Programs*** is optional for the Banks, and under the proposed regulatory priorities outcome requirements discussed below, a Bank would have discretion not to choose home purchase as a housing need in its scoring system, the proposed rule would require that at least 10 percent of a Bank's annual required AHP contribution be awarded to home purchases by low- or moderate-income households.     FHFA specifically requests comments on whether 10 percent of a Bank's annual required AHP contribution constitutes sufficient prioritization for the home purchase priority or whether the percentage should be higher or lower. Regulatory Priority for Very Low-Income Targeting for Rental Units     The proposed rule would establish an outcome requirement for a regulatory priority for very low-income targeting for rental units. Proposed Sec.  1291.48(c) would provide that, each ***year***, each Bank must ensure that at least 55 percent of all rental units in rental projects receiving AHP awards under the Bank's General Fund and any Bank Targeted Funds are targeted to very low-income households (households with incomes at or below 50 percent of AMI). Targeting for very low- income renters is prioritized in the current regulation through the income-targeting scoring criterion.\30\ The proposed rule would maintain a priority for such households through this proposed income- targeting outcome approach. ---------------------------------------------------------------------------

    \30\ 12 CFR 1291.5(d)(5)(iii). ---------------------------------------------------------------------------

    FHFA specifically requests comments on the utility of this proposed outcome approach, including whether the proposed 55 percent threshold, applicability solely to rental units, and income-targeting at 50 percent of AMI are appropriate.

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Regulatory Priorities for Underserved Communities and Populations; Creating Economic Opportunities; and Affordable Housing Preservation     Proposed Sec.  1291.48(d) would establish outcome requirements for three regulatory priorities for housing needs that FHFA considers current and pressing throughout the country. These regulatory priorities are underserved communities and populations; creating economic opportunities; and affordable housing preservation. The proposed outcome requirements for these regulatory priorities would satisfy the statutory requirement that FHFA establish priorities for the use of the AHP funds. Each regulatory priority would comprise a number of specified housing needs identified by FHFA, some of which are in the current regulation. FHFA could also identify other specific housing needs under the regulatory priorities by separate guidance, as new housing needs arise.     The proposed rule would provide that, every ***year***, each Bank shall ensure that at least 55 percent of the Bank's required annual AHP contribution is awarded under the Bank's General Fund and any Bank Targeted Funds to projects that, in the aggregate, meet at least two of the three regulatory priorities by meeting one or more of the specified housing needs included under the regulatory priority, and awarding at least 10 percent of the funds to projects meeting each of such regulatory priorities. If an awarded project meets more than one of the regulatory priorities, it may be counted towards meeting only one of them. If an awarded project meets more than one specified housing need under a regulatory priority, it may be counted towards meeting only one of those housing needs. In addition, an award to a project may not be counted towards meeting a regulatory priority unless the specified housing need that it meets is identified in the Bank's Targeted Community Lending Plan as an affordable housing need the Bank indicated it would address through its AHP scoring criteria.     The specified housing needs proposed under each regulatory priority are described below. 1. Underserved Communities and Populations Housing for Homeless Households     The current regulation includes housing for homeless households as a mandatory scoring criterion. The proposed rule would retain this housing need under this proposed regulatory priority, but increase the minimum threshold for the number of units reserved for homeless households from 20 to 50 percent to encourage projects dedicated to serving the needs of homeless households. FHFA specifically requests comments on whether this proposed increase is appropriate. Housing for Special Needs Populations     The current regulation includes housing for special needs populations as one of the eligible housing needs under the Bank First District Priority. The proposed rule would retain this housing need under this proposed regulatory priority, with the following changes. The proposed rule would include only projects that provide supportive services or access to supportive services for the specific special needs populations being served.     These populations have special needs associated with their particular life circumstances that could be addressed by targeted supportive services. Research by the Corporation for Supportive Housing estimates that 1.1 million homes are required for people with special needs, not including the need for units for households experiencing homelessness.\31\ The proposed rule also would increase the minimum threshold for the number of units reserved for households with a specific special need from 20 to 50 percent to encourage projects dedicated to serving these populations. FHFA specifically requests comments on whether this proposed increase is appropriate. ---------------------------------------------------------------------------

    \31\ [*http://www.csh.org/wp-content/uploads/2016/10/Total-10-12-16.pdf*](http://www.csh.org/wp-content/uploads/2016/10/Total-10-12-16.pdf) ---------------------------------------------------------------------------

    The proposed rule would continue to include the elderly, persons recovering from physical abuse or alcohol or drug abuse, persons with AIDS, persons with disabilities, and housing that is visitable by persons with physical disabilities who are not occupants of such housing as special need populations. The proposed rule would expand the list of special needs populations to include formerly incarcerated persons; victims of domestic violence, dating violence, sexual assault or stalking; and unaccompanied youth. These populations could particularly benefit from housing with supportive services targeted to address their specific needs.     In addition, the proposed rule would update the reference to ``persons with AIDS'' to ``persons with HIV/AIDS'' to more closely align it with common nomenclature and in recognition of the fact that persons with HIV experience comparable housing needs to persons with AIDS. The term ``mentally or physically disabled persons'' in the current regulation would similarly be updated to ``persons with disabilities,'' to reflect more commonly acceptable terminology. Housing for Other Targeted Populations     The proposed rule would also include housing for other targeted populations under this proposed regulatory priority. In contrast to housing for special needs populations, this housing need would include housing that does not necessarily provide supportive services or access to supportive services, as there are specific populations in need of housing who may not require such services. The proposed rule would include as other targeted populations--***agricultural*** workers, military veterans, persons with disabilities, Native Americans, multi- generational households, and households requiring large units. The proposed rule would set the minimum threshold for the number of units reserved for such targeted populations at 50 percent to encourage projects dedicated to serving the needs of these populations. FHFA specifically requests comments on whether the proposed minimum 50 percent threshold is appropriate.     The inclusion of ***agricultural*** workers and Native Americans would align with other FHFA goals and ***programs***, specifically, FHFA's Duty to Serve regulation that applies to Fannie Mae and Freddie Mac, under which ***agricultural*** workers and Native Americans are identified as high- needs rural populations.\32\ ***Agricultural*** workers face significant housing challenges due in large part to their low income levels.\33\ Migrant and seasonal ***agricultural*** workers often have difficulty finding adequate housing and are likely to live in over-crowded conditions.\34\ Native Americans also have significant housing needs. According to the U.S Interagency Council on the Homeless, nearly one in

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five people residing on tribal lands live in overcrowded conditions. Native Americans also disproportionally live in shelters relative to their population size.\35\ ---------------------------------------------------------------------------

    \32\ See generally, 12 CFR part 1282.     \33\ Sixteen percent of workers earned less than $10,000 from ***agricultural*** employment during the previous ***calendar*** ***year***, 33 percent had earnings of $10,000 to $19,999, 22 percent earned 20,000 to 29,999, and eight percent earned $30,000 or more. Sixteen percent of respondents reported no income from ***agricultural*** employment the previous ***year***. See [*https://www.doleta.gov/naws/pages/research/docs/NAWS\_Research\_Report\_12.pdf*](https://www.doleta.gov/naws/pages/research/docs/NAWS_Research_Report_12.pdf)     \34\ Crowding is often an issue within ***agricultural*** worker housing, as an estimated 31 percent of non-dormitory/barrack-style farmworker housing units are crowded--meaning there is more than one occupant per room, excluding bathrooms. This estimate is over six times the national rate of crowded housing units. ***Agricultural*** workers and their families are also more likely to encounter pesticide-related environmental hazards when compared to other populations.   [*http://www.ruralhome.org/storage/documents/farmworkers.pdf*](http://www.ruralhome.org/storage/documents/farmworkers.pdf)     \35\   [*https://www.usich.gov/resources/uploads/asset\_library/Expert\_Panel\_on\_Homelessness\_among\_American\_Indians%2C\_Alaska\_Natives%2C\_and\_Native\_Hawaiians.pdf*](https://www.usich.gov/resources/uploads/asset_library/Expert_Panel_on_Homelessness_among_American_Indians%2C_Alaska_Natives%2C_and_Native_Hawaiians.pdf) ---------------------------------------------------------------------------

    Persons with disabilities would be included as other targeted populations in recognition of the benefits that features such as wheelchair-accessibility and enhancements for people with visual or hearing impairments can provide so that persons with disabilities can live independently.     Military veterans would be included as other targeted populations due to their significant housing needs. The Veterans Administration's January 2017 Point in Time counted over 40,000 veterans who were experiencing homelessness on a single night in January 2017. Further, there has been a 1.5 percent increase in the estimated number of homeless veterans nationwide since 2016.\36\ ---------------------------------------------------------------------------

    \36\ [*https://www.va.gov/HOMELESS/pit\_count.asp*](https://www.va.gov/HOMELESS/pit_count.asp) ---------------------------------------------------------------------------

    Households requiring large units would be included as other targeted populations in light of the scarcity of affordable 3-, 4- and 5-bedroom unit apartments required to adequately house large households, for example, families with more than three children or with several related adult members.     Finally, multi-generational households would be included as other targeted populations because of their special housing needs. For example, grandparents raising grandchildren may benefit from housing that includes features of elderly projects (such as handrails in bathrooms and hallways) as well as features of family housing (such as outdoor play spaces). Housing in Rural Areas     The current regulation includes housing in rural areas as one of the eligible housing needs under the Bank First District Priority, and the Banks have discretion to define ``rural area.'' The proposed rule would retain this housing need under this regulatory priority, but would define ``rural area'' according to the definition in FHFA's Duty to Serve regulation in order to align with other FHFA goals and ***programs***.\37\ Rural populations generally experience significant and particularized housing needs. According to data in the Housing Assistance Council's Rural Data Portal, the poverty rate for individuals in rural areas is 17.7 percent, compared to 15.4 percent for individuals in the United States as a whole.\38\ The Harvard Joint Center for Housing Studies' report, America's Rental Housing 2017, notes that despite the fact that housing costs tend to be lower in rural areas, 40 percent of rural renters across the country are cost burdened.\39\ ---------------------------------------------------------------------------

    \37\ 12 CFR 1282.1     \38\ [*http://www.ruraldataportal.org/search.aspx*](http://www.ruraldataportal.org/search.aspx)     \39\   [*http://www.jchs.harvard.edu/americas-rental-housing*](http://www.jchs.harvard.edu/americas-rental-housing). ---------------------------------------------------------------------------

Rental Housing for Extremely Low-Income Households     The proposed rule would include rental projects in which at least 20 percent of the units are reserved for extremely low-income households under this proposed regulatory priority. A definition of ``extremely low-income household'' would be added in Sec.  1291.1 to mean a household with an income at or below 30 percent of AMI. According to HUD's 2017 Worst Case Housing Needs Report to Congress, households at the extremely low-income level have severe challenges in obtaining affordable housing. The report notes that only 38 of every 100 affordable units are available for extremely low-income renters, and that the vacancy rate for units affordable to renters with extremely low incomes was less than 4 percent.\40\ ---------------------------------------------------------------------------

    \40\ See [*https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf*](https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf) ---------------------------------------------------------------------------

    This housing need would be measured in dollars awarded to AHP projects in which at least 20 percent of the units are reserved for extremely low-income households to conform to the other housing needs under this proposed regulatory priority, which are also measured in dollars. In contrast, the regulatory priority in proposed Sec.   1291.48(c) for very low-income targeting for rental units, described above, would be measured in the number of rental units reserved for very low-income households. FHFA specifically requests comments on whether the proposed 20 percent minimum threshold for units reserved for extremely low-income households is appropriate. 2. Creating Economic Opportunity Promotion of Empowerment     The current regulation includes promotion of empowerment as a mandatory scoring criterion. The proposed rule would retain this housing need under this proposed regulatory priority, with the following changes. The proposed rule would add to the list of empowerment services--child care; adult daycare services; afterschool care; tutoring; health services; and workforce preparation and integration.     The current regulation includes daycare as an eligible empowerment service. The proposed rule would replace daycare with child care, which encompasses daycare but is broader in that it includes ***programs*** offered not only during the day but outside of work hours and during summers, and ***programs*** that target older children. Residents of AHP projects may benefit from having such ***programs*** for their children depending on their work schedules and other commitments, thereby enabling them to work and improve their economic situations. Where child care ***programs*** are education-based, they may enhance the future economic opportunities of the children residing in AHP projects.     The proposed rule would add adult daycare services as an eligible empowerment service. These services can assist residents in AHP projects who may be caring for parents, or adult children with disabilities, who require supervised care so that the residents may work outside of the home.     Afterschool care would be added as an eligible empowerment service in recognition of the benefits of supervised afterschool ***programs*** for children and teens residing in AHP projects. For example, these ***programs*** may increase younger residents' future economic opportunities by assisting with schoolwork, encourage interest in the arts or community service, or teach job skills. Further, adult residents may benefit from the knowledge that their children are supervised in the hours before they return from work.     Tutoring would be included as an eligible empowerment service in light of the benefits that supplemental academic assistance may provide to children and teens for educational attainment. Tutoring may also be beneficial to adult residents who require tutoring in basic remedial education or English for limited-English-proficiency residents, for example, in order to obtain or retain work.     Health services would be added as an eligible empowerment service based on the research demonstrating the benefits of integrating health services into affordable housing, thereby enabling residents to stay healthy and continue to work. For example, early findings from a three- ***year*** research study by the Center for Outcomes Research and Education and Providence Health and Services in 145 affordable housing projects in Oregon found that integration of health care services (including access to healthy food, health care, nutrition counseling, and mental and behavioral health services) led to a

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12 percent decrease in health costs per resident per month.\41\ ---------------------------------------------------------------------------

    \41\ See [*https://www.nhchc.org/wp-content/uploads/2016/06/linking-health-and-housing-improving-resident-health-and-reducing-health-care-costs-through-affordable-housing-saul.pdf*](https://www.nhchc.org/wp-content/uploads/2016/06/linking-health-and-housing-improving-resident-health-and-reducing-health-care-costs-through-affordable-housing-saul.pdf) ---------------------------------------------------------------------------

    Finally, workforce preparation and integration services would be included as eligible empowerment services because of the benefit that these ***programs*** may yield to residents to obtain and retain work. Workforce integration services may help residents with disabilities obtain and retain jobs. Workforce preparation may assist residents with no previous work experience in obtaining skills helpful to securing a job, such as interviewing techniques or other communication techniques, and skills necessary to retain work, such as conflict resolution strategies. Residential Economic Diversity     The current regulation includes economic diversity as one of the eligible housing needs under the Bank First District Priority. The proposed rule would retain this housing need as empowerment, but would refer to it as ``residential economic diversity'' to align with the usage in FHFA's Duty to Serve regulation and would define it in accordance with the Duty to Serve definition and FHFA's Duty to Serve Evaluation Guidance. 3. Affordable Housing Preservation Affordable Rental Housing Preservation     The current regulation does not include any scoring criteria specifically for affordable rental housing preservation, but some Banks have included this housing need under their Bank Second District Priority. The proposed rule would include this housing need under the this proposed regulatory priority, and would include the specific affordable rental housing preservation ***programs*** and housing needs identified in FHFA's Duty to Serve regulation in order to align with related FHFA goals and ***programs***. These are:     (a) Rental housing with energy or water efficiency improvements;     (b) Section 8. The project-based and tenant-based rental assistance housing ***programs*** under section 8 of the U.S Housing Act of 1937; \42\ ---------------------------------------------------------------------------

    \42\ 42 U.S.C 1437f. ---------------------------------------------------------------------------

    (c) Section 236. The rental and cooperative housing ***program*** for lower income families under section 236 of the National Housing Act; \43\ ---------------------------------------------------------------------------

    \43\ 12 U.S.C 1715z-1. ---------------------------------------------------------------------------

    (d) Section 221(d)(4). The housing ***program*** for moderate-income and displaced families under section 221(d)(4) of the National Housing Act; \44\ ---------------------------------------------------------------------------

    \44\ 12 U.S.C 1715l. ---------------------------------------------------------------------------

    (e) Section 202. The supportive housing ***program*** for the elderly under section 202 of the Housing Act of 1959; \45\ ---------------------------------------------------------------------------

    \45\ 12 U.S.C 1701q. ---------------------------------------------------------------------------

    (f) Section 811. The supportive housing ***program*** for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act; \46\ ---------------------------------------------------------------------------

    \46\ 42 U.S.C 8013. ---------------------------------------------------------------------------

    (g) McKinney-Vento Homeless Assistance. Permanent supportive housing projects subsidized under Title IV of the McKinney-Vento Homeless Assistance Act; \47\ ---------------------------------------------------------------------------

    \47\ 42 U.S.C 11361, et seq. ---------------------------------------------------------------------------

    (h) Section 515. The rural rental housing ***program*** under section 515 of the Housing Act of 1949; \48\ ---------------------------------------------------------------------------

    \48\ 42 U.S.C 1485. ---------------------------------------------------------------------------

    (i) Low-income housing tax credits. Low-income housing tax credits under section 42 of the Internal Revenue Code of 1986; \49\ and ---------------------------------------------------------------------------

    \49\ 26 U.S.C 42. ---------------------------------------------------------------------------

    (j) Other comparable state or local affordable housing ***programs***. Affordable Homeownership Preservation     The current regulation does not include scoring criteria specifically for affordable homeownership preservation, but some Banks have included this housing need, e.g , housing with energy efficiency features, under their Bank Second District Priority. The proposed rule would include this housing need under this proposed regulatory priority, and would specify certain affordable preservation ***programs*** that are included in FHFA's Duty to Serve regulation--shared equity homeownership ***programs*** and owner-occupied housing with energy or water efficiency improvements.     FHFA specifically requests comments on whether the three proposed regulatory priorities--underserved communities and populations, creating economic opportunities, and affordable housing preservation-- constitute significant housing priorities that should be included in the regulation, or whether other housing priorities should be included. FHFA also requests comments on whether the specified housing needs identified under each regulatory priority, or other specific housing needs, should be included in the regulation. Annual Report     Proposed Sec.  1291.48(e) would require each Bank to submit an annual report to FHFA demonstrating the Bank's compliance with the outcome requirements. Proposed Sec.  1291.49 Determination of Compliance With Outcome Requirements; Notice of Determination     Under proposed Sec.  1291.49, the Director of FHFA would be required to determine annually each Bank's compliance with the outcome requirements for the statutory and regulatory priorities under proposed Sec.  1291.48 Proposed Sec.  1291.49 would establish procedures, including time periods, for the compliance determination process. These procedures would include issuance of a notice of preliminary determination, an opportunity for the Bank to respond, and issuance of a final determination and whether compliance was feasible, taking into consideration market and economic conditions and the financial condition of the Bank. These proposed procedures are generally analogous to those in the Enterprise Housing Goals regulation.\50\ ---------------------------------------------------------------------------

    \50\ 12 CFR 1282.21 ---------------------------------------------------------------------------

Requests for Comments on Current Regulatory Scoring System     As discussed above, in determining whether to revise the current AHP regulatory scoring system, FHFA considered how the current mandatory and discretionary scoring criteria address housing priorities established by FHFA and impact the Banks' ability to address specific housing needs in their districts. FHFA requests comments on whether the Banks have sufficient flexibility under the current scoring system to target specific housing needs in their districts, including awarding subsidy to address multiple housing needs in a single AHP funding period. If they do, FHFA requests comments on whether the current regulatory scoring system should be maintained without change, or whether any of the current mandatory scoring criteria and minimum required point allocations should be modified to reflect other specific housing needs. FHFA also requests comments on whether the Bank First and Second District Priorities should be combined and the list of housing needs in the Bank First District Priority eliminated. FHFA notes that the Banks do not currently allocate the full 45 points available to their Bank Second District Priority, and they include multiple housing needs under this Priority, resulting in no one housing need effectively receiving priority under the current scoring system.

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Subpart F--Monitoring

Proposed Sec.  1291.50 Monitoring Under General Fund and Targeted Funds     The Bank Act requires the AHP regulation to ensure that adequate long-term monitoring is available to guarantee that affordability standards and other AHP requirements are satisfied.\51\ The Bank Act also requires the AHP regulation to coordinate AHP activities with other Federal or federally-subsidized affordable housing activities to the maximum extent possible.\52\ The current regulation's requirements for long-term monitoring of AHP rental projects are based on those statutory provisions. ---------------------------------------------------------------------------

    \51\ 12 U.S.C 1430(j)(9)(C).     \52\ 12 U.S.C 1430(j)(9)(G). ---------------------------------------------------------------------------

    Specifically, the current regulation requires the Banks to adopt written policies for monitoring projects and households awarded AHP subsidies under both the Competitive Application ***Program*** and Homeownership Set-Aside ***Programs***.     For initial monitoring under the Competitive Application ***Program***, the regulation requires the Banks to monitor owner-occupied and rental projects prior to, and within a reasonable period after, project completion by:      Reviewing documentation to determine whether AHP eligibility requirements have been satisfied, services and activities committed in the approved AHP application have been provided, and AHP retention agreements are in place; and      Reviewing back-up project documentation (such as rent rolls and households' W-2 forms) on a risk-based sampling basis, of household incomes and rents maintained by the project sponsors to verify that the household incomes and rents comply with the commitments in the approved AHP applications. In practice, for initial monitoring, the Banks review the project sponsor documentation and rent rolls at initial monitoring, and review other back-up documentation on a risk- basis.     For long-term monitoring under the Competitive Application ***Program***, the regulation generally requires the Banks to monitor completed AHP rental projects commencing in the second ***year*** after project completion to determine, at a minimum, whether household incomes and rents comply with the income targeting and rent commitments in the approved AHP applications during the AHP 15-***year*** retention period by:      Reviewing annual project owner certifications of household incomes and rents for compliance with the AHP application commitments, which may be reviewed on a risk-based sampling basis; and      Reviewing back-up project documentation for incomes and rents, including project rent rolls, maintained by the project owner, which may also be reviewed on a risk-based sampling basis pursuant to the Bank's risk-based sampling plan.

In practice, for long-term monitoring, the Banks review all of the annual project sponsor certifications but review the rent rolls and other back-up documentation on a risk basis.     The regulation provides that a Bank's written monitoring policies must take into account risk factors such as the amount of AHP subsidy in the project, type of project, size of project, location of project, sponsor experience, and any monitoring of the project provided by a federal, state, or local government entity.     The regulation permits the Banks to develop and implement reasonable sampling plans to monitor rental projects that receive subsidies under the Competitive Application ***Program*** as well as households that receive subsidies under the Homeownership Set-Aside ***Program***. The regulation permits the Banks to use the sampling plans to monitor back-up documentation of household incomes and rents. The regulation does not permit the use of sampling plans for monitoring member certifications under the Homeownership Set-Aside ***Program***.     The regulation makes some exceptions to the long-term monitoring requirements for certain types of AHP rental projects. Specifically, for AHP projects that also receive LIHTC, the Banks may rely on the long-term monitoring of LIHTC household incomes and rents performed by state-designated housing credit agencies that administer LIHTC, and the Banks do not have to review any monitoring documentation.     The regulation also makes an exception to the long-term monitoring requirements for AHP rental projects that received funds from federal, state, or local government entities provided the Bank is able to demonstrate the following: (1) The compliance profile of the ***program*** is substantively equivalent to AHP requirements; (2) the governmental entity has the ability to monitor the project; (3) the governmental entity agrees to provide reports to the Bank on the project's incomes and rents for the full AHP 15-***year*** retention period; and (4) the Bank reviews the reports from the governmental entity to confirm compliance with its monitoring policies. However, this monitoring option has not proved feasible for the Banks.     Initial monitoring of AHP projects receiving LIHTC. The proposed rule would retain the initial monitoring requirement that the Banks review certifications from LIHTC project sponsors that the residents' incomes and the rents comply with the income-targeting and rent commitments in the approved AHP application. The proposed rule would also include a requirement, consistent with Bank practice, that the Banks review the project's rent rolls. However, the proposed rule would remove the requirement that the Banks review other back-up documentation on incomes and rents at initial monitoring for LIHTC projects. The proposed rule would also streamline the LIHTC monitoring provisions for greater conciseness.     In 2016, 51 percent of AHP projects received LIHTC allocations, comprising 62 percent of total AHP competitive funds awarded. The current regulation has allowed the Banks to rely on the long-term monitoring of LIHTC projects by state-designated housing tax credit allocation agencies since 2006 because the LIHTC income, rent, and long-term retention period requirements are the same as or substantially equivalent to those of the AHP, and because LIHTC projects rarely go out of compliance with those requirements. As noted by some stakeholders, the same analysis for long-term monitoring of LIHTC projects could be applied to initial monitoring of LIHTC projects and, therefore, the Banks should also be permitted to rely at initial monitoring upon the income and rent monitoring performed by the state- designated tax credit allocation agencies.     The initial rationale for allowing the Banks to rely on monitoring of LIHTC projects by the state-designated tax credit allocation agencies continues to hold true--the LIHTC income, rent, and long-term retention period requirements are substantially equivalent to those of the AHP, the state-designated tax credit allocation agencies monitor the projects, and LIHTC projects rarely go out of compliance with the income and rent requirements.\53\ Further, multiple

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parties retain a strong incentive to monitor LITHC projects for income and rent compliance. ---------------------------------------------------------------------------

    \53\ A minimum of 40 percent of units in an LIHTC project must be affordable to tenants earning 60 percent of AMI, or a minimum of 20 percent of units in an LIHTC project must be affordable to tenants earning 50 percent of AMI. However, the vast majority of LIHTC units serve residents at 50 percent of AMI or below. A HUD report published in December 2016, Data on Tenants in LIHTC Units as of December 31, 2014, indicates that the median income for LIHTC households was $17,152. Of all LIHTC units, 81 percent serve households at 50 percent of AMI or below, while 11 percent serve households between 50.1 percent and 60 percent of AMI. See [*https://www.huduser.gov/portal/publications/LIHTCTenantReport-2014.html*](https://www.huduser.gov/portal/publications/LIHTCTenantReport-2014.html) Further, LIHTC projects rarely go out of compliance, with analysis showing that the average LIHTC investor has realized 98 percent of its promised credits, and a cumulative foreclosure rate for 9 percent credits between 1986 and 2014 at 0.04 percent. See A CohnReznick Webinar, The Low Income Housing Tax Credit ***Program*** at ***Year*** 30: A Performance Update, January 21, 2016. Slides 24 and 35.   [*http://ahic.org/images/downloads/Research\_and\_Education/cohnreznick\_lihtc\_performance\_study.pdf*](http://ahic.org/images/downloads/Research_and_Education/cohnreznick_lihtc_performance_study.pdf) Finally, LIHTC carries more stringent retention requirements than the AHP. LIHTC projects must remain affordable for an initial 15-***year*** retention period, and an additional 15-***year*** extended use period. ---------------------------------------------------------------------------

    LIHTC project owners bear responsibility for ensuring that their projects comply with the ***program***'s income, rent, and retention period requirements. The owners face severe consequences for noncompliance, which serve as a substantial deterrent to noncompliance. Because LIHTC investors cannot receive the benefits of the tax credits for units that are not in compliance, LIHTC project owners guarantee to their investors that their projects remain in compliance, or must repay investors the amount of tax credits lost plus any penalties or interest levied by the Internal Revenue Service.     LIHTC projects are monitored not only by the state-designated tax credit allocation agencies, but also annually by the LIHTC project owners and LIHTC investors. LIHTC project owners must certify the income of each household at move-in, and must re-certify the income of each household annually.     As noted above, the Banks currently may review LIHTC back-up documentation at initial monitoring on a risk basis. Given the low risks of noncompliance by LIHTC projects, the Banks can establish review schedules for the back-up documentation that are not especially burdensome. For example, a Bank might choose to review LIHTC back-up documentation once or twice during the project's 15-***year*** AHP retention period. Although the administrative burden on the project sponsors to provide, and the Banks to review, LIHTC back-up documentation may not be significant, FHFA believes that eliminating this monitoring requirement would benefit the Banks and project sponsors by reducing their administrative costs.     Notice Requirement for LIHTC Project Noncompliance during AHP Retention Period. Notwithstanding the infrequent instances of LIHTC project noncompliance, in the event of such noncompliance during the AHP 15-***year*** retention period, a Bank likely would not become aware of the noncompliance because the Banks do not monitor LIHTC projects during the retention period. FHFA is proposing to add a requirement, as discussed under proposed Sec.  1291.15(a)(5)(ii) above, that members' monitoring agreements with project sponsors and owners require such parties to provide prompt written notice to the Bank if the LIHTC project goes out of compliance with the applicable LIHTC income- targeting or rent requirements during the AHP 15-***year*** retention period. The proposed rule would add a corresponding requirement in the monitoring section of the regulation that the Banks must review LIHTC project noncompliance notices received from project sponsors or owners during the AHP 15-***year*** retention period. In this way, the Banks would become aware of any noncompliance and could take remedial actions with respect to the project.     The proposed rule would not require that the Bank's AHP agreement with the member or project sponsor or owner include a provision for the project sponsor or owner to send written notice of noncompliance with other government ***programs*** to the Banks. As discussed below, the Banks would be receiving other information that would help inform them of potential or actual project noncompliance. The Banks would be required to obtain information from project sponsors or owners on their projects' compliance with these other government ***programs***, as well as the projects' on-going financial viability (``enhanced certifications''), which the Banks obtain currently but to varying degrees. The Banks would also continue to review annual project sponsor certifications. In addition, the noncompliance rates for projects under these other government ***programs*** are low.     Initial and long-term monitoring of AHP projects funded by certain other government ***programs*** specified in FHFA guidance. The proposed rule would also provide that, for AHP projects funded by certain other government ***programs*** specified in separate FHFA guidance, the Banks would only be required to review project sponsor certifications and rent rolls, and not any other back-up documentation, at initial monitoring. For long-term monitoring, the Banks would only be required to review annual project sponsor certifications on incomes and rents, and would not be required to review any back-up documentation for incomes and rents, including rent rolls. FHFA would include in the guidance only government ***programs*** that have the same or substantially equivalent rent, income, and retention period requirements as the AHP, very low occurrences of noncompliance with those requirements, and where the monitoring entity has demonstrated and continues to demonstrate its ability to monitor the ***program***. The proposed rule would specify that other compatible government ***programs***, for monitoring purposes, will be set forth in FHFA guidance. FHFA will employ the guidance to remain current with federal ***program*** developments.     The FHFA guidance initially would specify the following federal government ***programs*** as eligible for this reduced monitoring:     [cir] HUD Section 202 ***Program*** for the Elderly;     [cir] HUD Section 811 ***Program*** for Housing the Disabled;     [cir] USDA Section 515 Rural Multifamily ***Program***; and     [cir] USDA Section 514 Farmworker Multifamily ***Program***.     Stakeholders requested that FHFA allow the Banks to rely upon the income qualification tests performed by USDA Rural Development and HUD- funded projects at initial monitoring. Further, stakeholders requested that FHFA allow a Bank, in its discretion, for purposes of long-term monitoring, to rely upon the monitoring conducted by HUD and USDA Rural Development, as the Banks are currently allowed to rely on the monitoring of the agency administering LIHTC.     In 2016, approximately two-thirds of AHP projects received funding from other federal ***programs***. FHFA analyzed the extent to which AHP projects also receive subsidies from HUD and USDA ***programs*** to determine the extent to which Banks could conceivably rely on HUD and USDA monitoring for these projects. In 2016, 26 percent of AHP projects received HOME Investment Partnerships ***Program*** (HOME) financing, 8 percent received Community Development Block Grant (CDBG) funds, and 12 percent received other federal financing, including from USDA. FHFA then analyzed HUD and USDA ***programs*** to determine which ***programs*** have substantially equivalent rent, income, and retention requirements to the AHP, very low noncompliance rates, and where the monitoring entity has demonstrated and continues to demonstrate its ability to monitor the ***program***. These ***programs*** are further discussed below.     HUD Section 202 and 811 ***Programs***. The income, rent and retention period standards for HUD's Section 202 ***Program*** for the Elderly and Section 811

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for Housing the Disabled meet or exceed the AHP standards.\54\ Further, HUD monitors eligibility for rental assistance on an annual basis, and has demonstrated and continues to demonstrate its ability to monitor the ***programs***. The Banks have indicated to FHFA that in their experience, there are very low or no instances of noncompliance with AHP-funded Section 202 or Section 811 projects. Congress has not appropriated capital advances for the Sections 202 and 811 ***programs*** since 2011. Thus, the proposed reduction in monitoring would only apply to Section 202 and 811 projects in the Banks' existing portfolios or to Section 202 or 811 projects seeking rehabilitation funding. ---------------------------------------------------------------------------

    \54\ Section 811 projects are funded by a capital advance that requires a project to be occupied only by very low-income persons with disabilities (at or below 50 percent of AMI). Section 202 projects must be occupied by low- or very low-income elderly people. In 2017, 98% of households in Section 811 units had incomes at or below 50 percent of AMI. See [*https://www.huduser.gov/portal/datasets/assthsg.html*](https://www.huduser.gov/portal/datasets/assthsg.html) Residents of Section 202 and 811 ***programs*** pay 30 percent or less of their monthly adjusted income for rent. These requirements are the same, and in some cases more stringent, than the AHP's 30 percent of income standard for rents. See Section 811 Supportive Housing for Persons with Disabilities Handbook (4571.2)   [*https://www.hud.gov/sites/documents/45712C1HSGH.PDF*](https://www.hud.gov/sites/documents/45712C1HSGH.PDF) and HUD Handbook 4571.3 In both the Section 202 and 811 ***programs***, the affordability term is 40 ***years***. HUD has demonstrated the ability to monitor both Section 202 and Section 811 projects. The low default rates in both these ***programs*** are indicative that that HUD's monitoring has been effective. See 811 Operating Costs Needs, Ken Lam, Jill Khadduri, March 2007,   [*https://www.huduser.gov/portal/publications/pubasst/Sec\_202\_811.html*](https://www.huduser.gov/portal/publications/pubasst/Sec_202_811.html), and Brauner, Bill, (2016) A First Look at Supportive Housing for the Elderly (Section 202) Housing in Massachusetts and Haley, Barbara and Robert Gray (June, 2008) Section 202 Supportive Housing for the Elderly: ***Program*** Status and Performance Measurement,   [*https://www.huduser.gov/portal/publications/sec\_202\_1.pdf*](https://www.huduser.gov/portal/publications/sec_202_1.pdf) ---------------------------------------------------------------------------

    USDA Section 515 and 514 ***Programs***. There are some differences in the income-eligibility and rent requirements between the Section 515 rural multifamily projects and Section 514 farmworker multifamily projects and those of the AHP. However, in practice, the household incomes served and rents are substantially similar to the AHP standards.\55\ Further, USDA has demonstrated and continues to demonstrate its ability to monitor the ***programs***.\56\ USDA 514 and 515 projects have low delinquency rates,\57\ and the Banks have indicated to FHFA that in their experience, there are very low or no instances of noncompliance with AHP-funded Section 515 and 514 projects. An additional argument in favor of aligning the AHP with USDA's monitoring is that this might encourage more USDA-funded projects to apply for AHP funds, thus increasing the proportion of rural families served by the AHP. ---------------------------------------------------------------------------

    \55\ While incomes in Section 515 projects may go up to 80 percent of AMI plus $5,500 and incomes in Section 514 projects may rise to 80 percent of AMI, in actuality household incomes are much lower. In 2015, 92 percent of households in Section 515 and 514 projects had very low incomes, and the average rent for units in all states is below the 50 percent of AMI adjusted rent level. Tenants pay basic rent or 30 percent of adjusted income, whichever is greater. USDA Section 521 Rental Assistance subsidy can be used to limit tenants' ***payments*** to 30 percent of their income. Tenants may receive rent subsidies from other sources as well. Most tenants pay no more than 30 percent of their income in rent (88 percent of Section 515 households, and 97 percent of Section 514 households in 2016). See 7 CFR 3560.203 A USDA report published in December 2016, Results of the 2016 Multi-Family Housing Annual Fair Housing Occupancy Report, found that in FY 2016, 92.3 percent of units were occupied by very low-income households--a percentage consistent with past ***years***. In Section 514 projects 77.1 percent of units were occupied by very low income households, and 19.73 percent of units were occupied by low income households. See [*http://www.ruralhome.org/storage/documents/rd\_obligations/mfh-occupancy/occupancymfh2016.pdf*](http://www.ruralhome.org/storage/documents/rd_obligations/mfh-occupancy/occupancymfh2016.pdf) The standard term for an initial Section 515 loan is 30 ***years*** with a 50-***year*** amortization period. The term for subsequent (made to an existing Section 515 project for subsequent rehabilitation or repairs to the project) and loans for special types of properties, such as manufactured housing, may be made for a shorter term based on the project's expected useful life; and, the loans are amortized over 50 ***years***.     \56\ USDA field staff performs careful monitoring of Section 515 and 514 projects, including on-site physical inspections, on-site tenant file review and management review, annual project budget review, and project financial statement review. All reviews are performed by USDA area office staff.     \57\ USDA Section 515 and 514 projects perform well: Section 515 projects had a 2.4 percent delinquency rate for the ten ***years*** ending 2014, while Section 514 projects had a 3.4 delinquency rate. See Statement of Tony Hernandez, Administrator Before the Subcommittee on Housing and Insurance Committee on Financial Services. May 19, 2015.   [*https://www.rd.usda.gov/files/testimony/USDA\_Rural%20Housing\_May%2019\_15.pdf*](https://www.rd.usda.gov/files/testimony/USDA_Rural%20Housing_May%2019_15.pdf) ---------------------------------------------------------------------------

    FHFA also reviewed HUD's HOME ***Program***, CDBG ***Program***, Rental Assistance Demonstration ***Program***, Housing Trust Fund, and Project-Based Rental Assistance (PBRA) Section 8 ***Program***, as well as single-family mortgage revenue bond financing ***programs***. FHFA found that each ***program*** has some standards that differ from the AHP in income, rent or retention periods, varying monitoring practices around the country, or a lack of available data on the projects' noncompliance rates (in the case of the PBRA Section ***Program***). Therefore, relying on the monitoring of these other government funding ***programs*** is not currently feasible for the AHP.     Because the income, rent, and retention period standards, monitoring practices, and compliance profiles of government housing subsidy ***programs*** may change over time, FHFA is proposing to include a list of federal government ***programs*** that currently meet the requirements discussed above in separate guidance, which FHFA could occasionally revise in the event that ***programs***' requirements become compatible or incompatible with the AHP requirements, or new ***programs*** are established that have compatible requirements.     The proposed monitoring changes would create a modest decrease in the Banks' administrative responsibilities by expanding their ability to rely on other government ***programs*** for both initial and long-term monitoring. The Banks currently have an average of 260 AHP rental projects per Bank to monitor, although the monitoring is reduced significantly by the Banks' ability to conduct long-term monitoring of the projects on a risk-basis.     FHFA specifically requests comments on whether the proposed reductions in the Banks' monitoring responsibilities are reasonable, taking into consideration the risks of noncompliance and the costs of project monitoring. FHFA also requests comments on whether data is available on the noncompliance rates of projects funded under the PBRA Section 8 ***Program***.     Enhanced long-term monitoring certifications. Proposed Sec.   1291.50(c)(1) would codify existing Bank best practices that require submission by project sponsors of annual project certifications that include not only the required household income and rent information, but also information on the on-going financial viability of the project, such as whether the project is current on property taxes and loan ***payments***, its vacancy rate, or whether it is in compliance with its commitments to other funding sources.     During long-term monitoring, the Banks are only required to monitor projects for compliance with the household income-targeting and rent commitments in their AHP applications. Reviewing income and rent information alone limits the ability of the Banks to determine whether projects are experiencing operational challenges or in danger of foreclosure. Thus, in addition to obtaining household income and rent information, Banks have, to varying degrees, been requesting additional information from project sponsors in order to discover project issues before they escalate. This additional information enables the Banks to work with other funders to address project concerns and any noncompliance, including attempting remediation through workout strategies or recovery of AHP subsidy for noncompliance. It also mitigates the risk

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that Banks may be less aware of noncompliance by AHP projects that are also funded by the federal ***programs*** for which FHFA may determine through guidance that the Banks may reduce their long-term monitoring. The proposed change may slightly increase the monitoring requirement for project sponsors and the Banks that are not currently requiring such enhanced certifications.     Accordingly, the proposed rule would require the Banks to obtain such ``enhanced'' annual certifications from project sponsors during the AHP 15-***year*** retention period that include information on the ongoing financial viability of the project. Proposed Sec.  1291.51 Monitoring Under Homeownership Set-Aside ***Programs***     The current monitoring provisions for the Homeownership Set-Aside ***Program*** would move from Sec.  1291.7(b) to proposed Sec.  1291.51 The requirement to monitor compliance with the owner-occupied retention agreement requirement would be removed because FHFA is proposing to eliminate this requirement.

Subpart G--Remedial Actions for Noncompliance

    The current provisions addressing remedial actions for AHP noncompliance in Sec.  1291.8 would move to proposed Subpart G, and each type of noncompliance--project sponsor or owner, member, or Bank-- would be included in a separate section so that the responsibilities and potential liabilities of each party are clear. Substantive changes would also be made regarding the order in which certain remedial actions must be taken.     Subpart G would also include a new section addressing remedies for Bank noncompliance with the proposed outcome requirements for the statutory and regulatory priorities, including housing plans and reimbursement of the AHP fund.     The proposed changes are discussed below. Proposed Sec.  1291.60 Remedial Actions for Project Noncompliance     Proposed Sec.  1291.60 would address AHP project noncompliance. The language would be revised and streamlined to provide greater clarity on the scope of the section and the responsibilities of the various parties. The proposed rule would also make substantive changes by establishing an order of remedial steps that a Bank would be required to follow before recovering AHP subsidy. The proposed rule would clarify factors for Bank consideration in determining whether to settle for less than the full amount of AHP subsidy due. These changes are discussed below.     Scope. Proposed Sec.  1291.60 would apply to noncompliance by an AHP-assisted project with its AHP application commitments and the requirements of the regulation, including any use of AHP subsidy by the project sponsor or owner for purposes other than those committed to in the AHP application. Consistent with the current regulation, the proposed rule would clarify that this section would not apply to individual AHP-assisted households, or to the sale or refinancing by such households of their homes, as there is no ongoing Bank monitoring of households once they purchase their homes, and sale or refinancing during the AHP five-***year*** retention period is not considered noncompliance.     Elimination of project noncompliance. The current regulation provides for three types of remedies for project noncompliance without mandating the order in which they must be attempted--cure of the noncompliance; project modification; and recovery of AHP subsidy or settlement. Because the objective of the AHP is to provide affordable housing for eligible households for the duration of the AHP retention period, recovery of AHP subsidy should be the last resort. Accordingly, the proposed rule would require that certain remedial actions be attempted before subsidy is recaptured, as discussed further below.     Cure. The project sponsor or owner would first be required to cure the project noncompliance within a reasonable period of time. Banks generally follow this practice currently. For example, if a project has a certain number of households with incomes exceeding the AHP application's income-targeting commitments, cure would be achieved by renting the next available vacant units to that number of income- eligible households. If the noncompliance is cured, then no AHP subsidy would be required to be repaid by the project sponsor or owner to the Bank.     Project modification. If the project noncompliance cannot be cured within a reasonable period of time, the Bank would be required to determine whether the circumstances of the noncompliance could be eliminated through a project modification under proposed Sec.  1291.27 If so, then the Bank would be required to approve the modification, and the project sponsor or owner would not be required to repay AHP subsidy to the Bank.     Under proposed Sec.  1291.27(a), a modification must be approved by the Bank if the project, as modified, meets all of the modification requirements in that section, including that there is good cause for the modification that is not solely eliminating the noncompliance, and that the project rescores as high as the lowest ranking alternate approved for funding by the Bank in the project's original AHP funding period. In the above example, if the project sponsor or owner were not able to find enough households meeting its income-targeting commitments to occupy the next available vacant units, the Bank would determine whether the project could be modified to target those units to higher income (but still AHP income-eligible) households by rescoring the project based on the number of units to be targeted to the higher incomes. If the project rescored successfully, then the project would be modified, thereby eliminating the circumstances of the noncompliance, and no subsidy recovery would be required.     Reasonable collection efforts, including settlement. If the circumstances of a project's noncompliance cannot be eliminated through a cure or modification, the Bank, or the member if delegated the responsibility, would be required to first make a demand on the project sponsor or owner for repayment of the full amount of the subsidy not used in compliance with the commitments in the AHP application or the requirements of the regulation. This is intended to ensure that the Banks attempt to recover all of the subsidy due before considering settlements. The proposed rule would clarify that if the noncompliance is occupancy by over-income households, the amount of AHP subsidy due is calculated based on the number of units in noncompliance, the length of the noncompliance, and the portion of the AHP subsidy attributable to the noncompliant units.     If the demand for repayment of the full amount of subsidy due is unsuccessful, then the member, in consultation with the Bank, would be required to make reasonable efforts to collect the subsidy from the project sponsor or owner. Members have this role under the current regulation. The proposed rule would clarify that members would carry out these efforts in consultation with the Bank, consistent with current practice.     Under the current regulation, reasonable collection efforts may include settlement for less than the full amount of subsidy due, taking into account the facts and circumstances of the noncompliance, including the

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degree of culpability of the noncomplying parties and the extent of the Bank's recovery efforts. The proposed rule would clarify that the facts and circumstances to consider also include the financial capacity of the project sponsor or owner, assets securing the AHP subsidy, and other assets of the project sponsor or owner.     As under the current regulation, the proposed rule would require that a settlement be supported by sufficient documentation showing that the sum agreed to be repaid is reasonably justified, based on the facts and circumstances of the noncompliance discussed above. FHFA specifically requests comments on whether those facts and circumstances are appropriate for consideration during reasonable collection efforts, and whether there are other factors that should be considered as well.     The proposed rule would eliminate current Sec.  1291.8(d)(2), which provides Banks the option to seek prior approval from FHFA of a proposed subsidy settlement. Since inception of this option, only one Bank has used it and for two similar cases. The Banks may enter into subsidy settlements, in their discretion, provided the settlements are supported by reasonable justifications. The Banks have made these types of business decisions for many ***years*** without seeking prior FHFA approval. Moreover, the proposed rule would further clarify the factors the Banks should consider in deciding whether to settle with the project sponsor or owner. Accordingly, there is no need to retain this prior approval provision in the regulation. Proposed Sec.  1291.61 Recovery of Subsidy for Member Noncompliance     Proposed Sec.  1291.61 would address member noncompliance, which is currently addressed in Sec.  1291.8(b)(1). As under the current regulation, if a member uses AHP subsidy for purposes other than those committed to in the AHP application or the requirements of the regulation, the Bank would be required to recover from the member the amount of subsidy used for such impermissible purposes. Proposed Sec.  1291.62 Bank Reimbursement of AHP Fund     Current Sec.  1291.8(e), which addresses circumstances where a Bank would be required to reimburse its AHP fund, would move to proposed Sec.  1291.62, with no substantive changes. Proposed Sec.  1291.63 Suspension and Debarment     Current Sec.  1291.8(g) addressing suspension or debarment of members, project sponsors, or project owners would move unchanged to proposed Sec.  1291.63 Proposed Sec.  1291.64 Use of Repaid AHP Subsidies for Other AHP- Eligible Projects and Households     Proposed Sec.  1291.64 would include current Sec.  1291.8(f)(1), which provides that AHP subsidy repaid to a Bank under the AHP regulation must be made available by the Bank for other AHP-eligible projects. The proposed rule would clarify that the repaid subsidy may also be made available by the Bank for AHP-eligible households.     The proposed rule would remove the provision in current Sec.   1291.8(f)(2) providing for re-use of repaid AHP direct subsidies in the same project because it applies where AHP subsidy is repaid by a household due to sale or refinancing of the home to a household that is not low- or moderate-income household during the retention period, and FHFA is proposing to eliminate this subsidy repayment requirement in connection with elimination of the owner-occupied retention agreement requirement. Proposed Sec.  1291.65 Remedial Actions for Bank Noncompliance With Outcome Requirements     Proposed new Sec.  1291.65 would provide that if the Director of FHFA determines that a Bank has failed to comply with an outcome requirement for the statutory and regulatory priorities and compliance was feasible, the Director may require the Bank to take actions to remedy the noncompliance, including but not limited to, reimbursement by the Bank of its AHP fund for the difference in the amount of AHP funds required to be awarded to meet the outcome requirement and the amount the Bank actually awarded, or implementation of a housing plan. A housing plan would describe the specific actions the Bank would take to comply with the outcome requirements for the next ***calendar*** ***year***. The proposed procedures, including time periods, for submission, review and approval of a proposed housing plan, are generally analogous to those under the Enterprise Housing Goals regulation.\58\ ---------------------------------------------------------------------------

    \58\ 12 CFR 1282.21 ---------------------------------------------------------------------------

Proposed Sec.  1291.66 ***Transfer*** of ***Program*** Administration     The proposed rule would move current Sec.  1291.8(h), which addresses ***transfer*** of a Bank's ***Program*** to another Bank in the event of mismanagement of its ***Program***, to proposed Sec.  1291.66 with no changes. Removal of Obsolete Provision     The proposed rule would rescind current Sec.  1291.8(i) because the provision refers to a now-repealed Finance Board regulatory provision that was intended to establish a formal process for review by the Board of Directors of the Finance Board of certain types of supervisory decisions, which FHFA opted not to adopt.\59\ Though it is not directly comparable to the repealed Finance Board provision, FHFA's Ombudsman regulation provides an avenue for the Banks to present complaints and appeals to the agency about their regulation or supervision.\60\ ---------------------------------------------------------------------------

    \59\ 12 CFR 907.9     \60\ See 12 CFR part 1213. ---------------------------------------------------------------------------

Subpart H--Affordable Housing Reserve Fund

Proposed Sec.  1291.70 Affordable Housing Reserve Fund     Current Sec.  1291.12 addressing the requirements for an Affordable Housing Reserve Fund would move to proposed Sec.  1291.70 In the 28 ***years*** of the ***Program***, there has never been cause for the agency to establish an Affordable Housing Reserve Fund because the demand for AHP funds at each Bank has always exceeded the amount available, and no Bank has failed to use or commit in full its required annual AHP contribution.     The proposed rule would revise the current provision by requiring that amounts remaining unused or uncommitted at ***year***-end would be deemed to be used or committed if, in combination with AHP funds that have been returned to the Bank or de-committed from canceled projects, they are insufficient to fund the next highest scoring AHP applications in the Bank's final funding period of the ***year*** for its General Fund first and then for any Targeted Funds established by the Bank.

IV. List of Specific Requests for Comments

    In addition to requesting comments on the entire proposed rule, FHFA is listing below, for ease of reference, the specific requests for comments included throughout the preamble above. Please identify the specific request for

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comment to which you are responding by its request number.

Subpart B--***Program*** Administration and Governance

    1. What are the benefits and risks of allowing the Banks to establish Targeted Funds?     2. Is the proposed allocation of 40 percent of total AHP funds to Targeted Funds an appropriate percentage, or should the percentage be higher or lower?     3. Would the proposed expansion of the contents of the Targeted Community Lending Plans impede the Banks' ability to respond to disasters through the AHP?     4. What are the benefits of the proposed expansion of the contents of the Targeted Community Lending Plans and their linkage to the AHP Implementation Plans?     5. Is the requirement that members' AHP agreements with LIHTC project sponsors include a provision requiring the sponsors to provide prompt written notice to the Bank if the project is in noncompliance with the LIHTC income-targeting or rent requirements at any time during the AHP 15-***year*** retention period practical, and should it also be required of project sponsors in the event of noncompliance by their projects with the income-targeting or rent requirements of the government housing ***programs*** discussed under the Monitoring section?     6. What are the advantages and disadvantages of an AHP owner- occupied retention agreement, would eliminating it impact FHFA's ability to ensure that AHP funds are being used for the statutorily intended purposes, and are there ways to deter flipping other than a retention agreement?     7. Should the proposed increase in the maximum permissible grant to households from $15,000 to $22,000 under the Homeownership Set-Aside ***Program*** impact the decision on whether to eliminate the retention agreement?     8. Should the current provision in retention agreements requiring that notice of a sale or refinancing during the retention period be provided to either the Bank or its designee (typically the member) be revised to require that the notice be provided to both the Bank and its designee if a retention agreement requirement is retained in the final rule?     9. Should the AHP retention agreement, if retained in the final rule, require the AHP-assisted household to repay AHP subsidy to the Bank from any net proceeds on the sale or refinancing of the home or from the net gain?     10. What are the merits and disadvantages of the net proceeds and net gain calculations from the standpoint of the AHP-assisted households and the Banks, and are there other subsidy repayment approaches FHFA should consider, if the AHP retention agreement requirement is retained in the final rule?     11. What approaches would provide a reasonable basis to assume that the subsequent purchaser of an AHP-assisted unit is likely to be low- or moderate-income, including proxies that could serve this purpose?     12. What proxies would be reasonable for assuming a subsequent purchaser's income, including the following or others: Certification from the subsequent purchaser or a third party that the subsequent purchaser's income is at or below the low- or moderate-income limit; evidence that the subsequent purchaser is receiving direct homebuyer assistance from another government ***program*** with household income targeting requirements substantially equivalent to those of the AHP; the purchase price of the AHP-assisted unit is less than the median home price in the area; the AHP-assisted unit is located in a census tract. or block group where at least 51 percent of the households are low- or moderate-income; or FHA or other underwriting standards indicating that the income required to purchase the AHP-assisted unit at the purchase price is low- or moderate-income?     13. Should there be an exception to the AHP subsidy repayment requirement in the AHP retention agreement, if retained in the final rule, where the amount of AHP subsidy subject to repayment, after calculating the net proceeds or net gain, is $1,000 or less?     14. If the AHP retention agreement is retained in the final rule, should the rule clarify that the obligation to repay AHP subsidy to a Bank shall terminate not only after any event of foreclosure, but also after ***transfer*** by deed in lieu of foreclosure, assignment of an FHA mortgage to HUD, or death of the owner(s) of the unit?

Subpart C--General Fund and Targeted Funds

    15. How should preservation of rental projects be encouraged through the AHP while discouraging displacement of current occupants with higher incomes than those targeted in the AHP application submitted to the Bank for approval, and is the proposed requirement for a relocation plan approved by the primary funder reasonable?     16. Are the current AHP requirements for sponsor-provided permanent financing reasonable, do the sponsors have a need for AHP subsidy in light of their particular financing model, and does the current method in the regulation for determining their need for AHP subsidy understate or overstate the amount of AHP subsidy needed?     17. Should sponsors using the sponsor-provided permanent financing model be considered revolving loan funds and, if so, should they be subject to the current or different AHP revolving loan fund requirements?     18. What are the potential advantages and disadvantages of allowing the Banks to impose a maximum subsidy limit per project sponsor?     19. What are possible approaches for re-ranking applications to meet the outcome requirements while at the same time maximizing the extent to which the highest scoring applications are approved?     20. Are the current AHP revolving loan fund provisions reasonable, and how could the financing mechanisms of revolving loan funds be used successfully with AHP subsidies?     21. Why have certain AHP scoring criteria for revolving loan funds been difficult to meet, how would AHP subsidy be repaid in the event of project noncompliance, and how can a revolving loan fund demonstrate a need for the AHP subsidy?     22. Would the proposed outcome requirements for the statutory and regulatory priorities facilitate use of AHP subsidies by revolving loan funds, and if so, how?     23. What are the potential positive or negative impacts of eliminating the owner-occupied retention agreement requirement for revolving loan funds?     24. Are there loan pools currently existing in the market that meet the conditions in the current regulation, how are the loan pools addressing current housing market needs, and what are the potential positive or negative impacts of eliminating the owner-occupied retention agreement requirement for loan pools?

Subpart D--Homeownership Set-Aside ***Programs***

    25. Are there any potential positive and negative impacts of increasing the subsidy limit per household from $15,000 to $22,000, and should the subsidy limit be higher or lower?     26. Is the proposed use of FHFA's Housing Price Index to automatically adjust the subsidy limit upward over time appropriate, or are there other housing price adjustment indices that would be preferable and why?

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Subpart E--Outcome Requirements for Statutory and Regulatory Priorities

    27. Does the proposed outcome requirement of 10 percent of a Bank's total AHP funds constitute prioritization for the home purchase priority, or should the percentage be higher or lower?     28. What is the utility of the proposed outcome approach to income targeting, and are the proposed 55 percent threshold, its applicability solely to rental units, and income-targeting at 50 percent of AMI appropriate?     29. Is the proposed increase in the minimum threshold from 20 to 50 percent for the number of units reserved for homeless households appropriate?     30. Is the proposed increase in the minimum threshold from 20 to 50 percent for the number of units in a project reserved for households with a specific special need appropriate?     31. Is the proposed 50 percent minimum threshold for the number of units in a project reserved for other targeted populations appropriate?     32. Is the proposed 20 percent minimum threshold for the number of units in a project reserved for extremely low-income households appropriate?     33. Do the three proposed regulatory priorities described in proposed Sec.  1291.48--underserved communities and populations, creating economic opportunities, and affordable housing preservation-- constitute significant housing priorities that should be included in the regulation, or should other housing priorities be included?     34. Should the specific housing needs identified under each regulatory priority be included, or are there other specific housing needs that should be included?     35. Do the Banks have sufficient flexibility under the current scoring system to target specific housing needs in their districts, including awarding subsidy to address multiple housing needs in a single AHP funding period?     36. Should the current regulatory scoring system be maintained without change?     37. Should any of the current mandatory scoring criteria and minimum required point allocations be modified to reflect other specific housing needs?     38. Should the current Bank First and Second District Priorities be combined and the list of housing needs in the Bank First District Priority eliminated?

Subpart F--Monitoring

    39. Are the proposed reductions in the Banks' monitoring requirements reasonable, taking into consideration the risks of noncompliance and the costs of project monitoring?     40. Is data available on the noncompliance rates of projects funded under the PBRA Section 8 ***Program***?

Subpart G--Remedial Actions for Noncompliance

    41. Are the facts and circumstances described in proposed Sec.   1291.60 appropriate for consideration by a Bank during reasonable subsidy collection efforts, and are there other factors that should be considered as well?

V. Consideration of Differences Between the Banks and the Enterprises

    Section 1313(f) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 requires the Director of FHFA, when promulgating regulations relating to the Banks, to consider the differences between the Banks and the Enterprises (Fannie Mae and Freddie Mac) as they relate to the Banks': Cooperative ownership structure; mission of providing liquidity to members; affordable housing and community development mission; capital structure; and joint and several liability. The proposed rule would apply only to the Banks. It would amend the current regulation to provide additional authority to the Banks regarding certain ***Program*** operations, streamline project monitoring requirements, clarify various parties' responsibilities regarding noncompliance, and clarify certain operational requirements. There is no direct Enterprise-specific analog to the Banks' AHP. In preparing this proposed rule, the Director considered the differences between the Banks and the Enterprises as they relate to the above factors, and determined that the rule is appropriate. FHFA requests comments regarding whether differences related to those factors should result in any revisions to the proposed rule.

VI. Paperwork Reduction Act

    The Paperwork Reduction Act of 1995 (PRA), 44 U.S.C 3501 et seq., requires that Federal agencies, including FHFA, consider the impact of paperwork and other information collection burdens imposed on the public. Under the PRA, no agency may conduct or sponsor, and no person is required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. Existing part 1291 contains a number of requirements that constitute collections of information under the PRA. These collections have been approved by OMB and assigned OMB control number 2590-0007 (entitled ``Affordable Housing ***Program***''), which expires on March 31, 2020. As detailed below, the proposed rule would modify some of the information collection requirements in part 1291 and would make other changes to the regulation requiring FHFA to revise the burden estimates approved by OMB when the control number was last renewed in early 2017. FHFA intends to submit the revised information collection to OMB for review and approval of a three-***year*** extension of the control number.

A. Comments on Paperwork Burden Requested

    FHFA is soliciting comments on: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of FHFA's estimates of the burden of the collection of information; (3) ways to enhance the quality, utility and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on Bank members, project sponsors, and project owners, including through the use of automated collection techniques or other forms of information technology.     You may submit written comments on the information collection requirements on or before May 14, 2018 and should direct them to the Office of Information and Regulatory Affairs of the Office of Management and Budget, Attention: Desk Officer for the Federal Housing Finance Agency, Washington, DC 20503, Fax: (202) 395-3047, Email: [*OIRA\_submission@omb.eop.gov*](mailto:OIRA_submission@omb.eop.gov) Please also submit copies of comments on information collection issues to FHFA, identified by ``Proposed Collection; Comment Request: `Affordable Housing ***Program*** (RIN 2590- AA83)' '' by any of the methods listed above in the ADDRESSES section.

B. Background

    Part 1291 requires the Banks to collect various types of information relating to their AHPs from their members and (both directly and indirectly) from AHP project sponsors and owners. Those information collection requirements fall into six categories: (1) AHP Competitive Applications; (2) compliance submissions for approved Competitive Application projects at AHP subsidy disbursement; (3) modification requests for approved Competitive Application projects; (4) initial monitoring submissions for approved Competitive Application projects; (5) long-term monitoring submissions for approved Competitive Application projects; and (6) Homeownership Set-Aside ***Program*** applications and certifications. As revised by the proposed rule, the collections of information under part

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1291 would continue to fall into the foregoing six basic categories, but would be somewhat modified as described below.     The proposed rule would eliminate the existing requirement that each Bank establish a Competitive Application ***Program***. As revised, part 1291 would instead require each Bank to establish a General Fund, and authorize each Bank to establish up to three Targeted Funds (subject to a phase-in period), each of which would be subject to a competitive application process similar to that required for the Banks' Competitive Application ***Programs*** under the current regulation. Projects funded under the Banks' General Fund and any Targeted Funds established would be subject to requirements regarding subsidy disbursements, modification requests, and initial and long-term monitoring that are similar to those that currently apply to their Competitive Application ***Programs***. Thus, the descriptions of the first five of the six information collection categories, which relate to the Banks' Competitive Application ***Programs***, would be modified to refer instead to the Banks' General Funds and Targeted Funds. The description of the sixth category, relating to the Banks' Homeownership Set-Aside ***Programs***, would remain the same.

C. Burden Estimates for Respondents

    FHFA has analyzed each of the six categories of information that would be collected under part 1291, as revised by the proposed rule, in order to estimate the hour burdens that the collection would impose upon Bank members and AHP project sponsors and owners annually over the three ***years*** following the effective date of the final rule. Based on that analysis, FHFA estimates that the total annual hour burden will be 127,605. This represents an increase of 11,855 hours over the estimate of 115,750 made in connection with the most recent renewal of the OMB control number. This increase is attributable to an expected increase in the number of AHP competitive applications received by the Banks due to some of the proposed revisions, as well as an expected increase in the number of AHP competitive projects and Homeownership Set-Aside direct subsidies approved because of anticipated higher required annual AHP contributions arising from projected higher Bank incomes. On balance, the proposed rule would not increase information collection burdens on a per-submission basis.     The method FHFA used to determine the annual hour burden for each category of information collected is explained in detail below. Set forth for each category are: (1) A summary of the existing information collection requirement, including the types of respondents and frequency of collection; (2) a short description of the manner in which the proposed regulatory amendments would affect the requirement and the associated burden estimates; (3) the need for and use of the information to be collected; and (4) the new annualized hourly burden estimates, as compared to the estimates made in the PRA submissions that are the basis for the current clearance. 1. Competitive Applications for AHP Subsidy Under General Funds and Targeted Funds     (a) Existing requirement: Each Bank must establish a Competitive Application ***Program*** under which the Bank accepts applications for AHP subsidies submitted by its members on behalf of non-member entities having a significant connection to the projects for which subsidy is being sought (project sponsors or owners).\61\ Each Bank accepts applications for AHP subsidy under its Competitive Application ***Program*** during a specified number of funding periods each ***year***, as determined by the Bank.\62\ The Bank must score each application according to an AHP regulatory and Bank-specific scoring methodology, and approve the highest scoring projects within that funding period for AHP subsidy.\63\ ---------------------------------------------------------------------------

    \61\ See 12 CFR 1291.5     \62\ See 12 CFR 1291.5(b)(1).     \63\ See 12 CFR 1291.5(d). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: The proposed rule would allow the Banks substantially more flexibility to devise their own competitive application scoring criteria for selecting the projects to be approved for AHP subsidies under their General Fund and any Targeted Funds established. In revising the scoring criteria for their General Funds, the Banks would likely also revise their application requirements to reflect the new criteria. In addition, Banks that establish one or more Targeted Funds would likely also develop application requirements for each of those Funds that are different from both their current competitive application requirements and the General Fund application requirements they would establish under the revised regulation. Because of the greater flexibility the Banks would have under the proposed rule, it is not possible at this point to determine precisely how the Banks' competitive application processes would change or to estimate with any accuracy the effect that any such changes would have on the average amount of time needed to complete the competitive application process.     The proposed rule would, to a minor extent, require the Banks to obtain from Bank members and project sponsors and owners applying for AHP subsidies certain information when evaluating AHP applications that they are not expressly required to evaluate under the current regulation. Under the proposed rule, the Banks would be required to obtain from all AHP applicants information needed to evaluate whether the project sponsor (including all affiliates and team members such as the general contractor) is able to perform the responsibilities committed to in the AHP application, as well as information needed to provide assurance that those parties have not engaged in certain types of misconduct. The proposed rule would also require the Banks to obtain from applicants for rental project subsidies the project's operating pro forma (in addition to the project's development budget, which is expressly required under the current regulation) for use in confirming the need for the AHP subsidy. FHFA anticipates that these submission requirements may be met with materials that have already been prepared for other purposes and that, therefore, they will not materially add to the time required to prepare an AHP competitive application.     To the extent that Banks choose to establish Targeted Funds, as would be permitted under the proposed rule, they could see an increase in AHP applications in connection with projects that would be unlikely to be approved under the existing scoring criteria for their Competitive Application ***Programs***. Based on this expectation, FHFA estimates that the number of AHP competitive applications received by the Banks annually would increase by 10 percent--from 1,350 to 1,485-- over the estimates made in FHFA's most recent submissions to OMB for the information collection requirements under part 1291.     (c) Use: The Banks would use the information collected during the competitive application process to determine whether projects for which Bank members and project sponsors and owners are seeking subsidies under the Banks' General Funds and Targeted Funds satisfy the applicable regulatory requirements and score highly enough in comparison with other applications submitted during the same funding period to be approved for AHP subsidies.     (d) Revised burden estimates: For the reasons stated above, FHFA is increasing its estimate as to the average

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number of competitive applications for AHP subsidies that Bank members, on behalf of project sponsors and owners, would submit to the Banks annually from 1,350 to 1,485. The estimate for the average preparation time for each application would remain at 24 hours. Thus, FHFA's estimate for the total annual hour burden on members and project sponsors and owners in connection with the preparation and submission of applications under the Banks' General Funds and Targeted Funds is 35,640 hours (1,485 applications x 24 hours). 2. Compliance Submissions for Approved General Fund and Targeted Fund Projects at AHP Subsidy Disbursement     (a) Existing requirement: The current regulation provides that, prior to each disbursement of AHP subsidy for a project approved under a Bank's Competitive Application ***Program***, the Bank must confirm that the project continues to meet the AHP regulatory eligibility requirements, as well as all commitments made in the approved AHP application.\64\ As part of this process, Banks typically require that the member and project sponsor provide documentation demonstrating continuing compliance. ---------------------------------------------------------------------------

    \64\ See 12 CFR 1291.5(g)(3). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: The proposed rule would add a requirement that, prior to each AHP subsidy disbursement, Banks obtain and review certifications and other information needed to provide assurance that the project sponsor (including all affiliates and team members such as the general contractor) have not engaged in certain types of misconduct since providing similar information at the application stage or in connection with a prior subsidy disbursement. FHFA anticipates that these additional requirements will not materially add to the time required to prepare a compliance submission.     (c) Use: The Banks would use the compliance submissions to determine whether projects approved under their General Funds and Targeted Funds continue to meet the applicable requirements and to comply with the commitments made in the approved AHP applications each time subsidy is disbursed.     (d) Revised burden estimates: FHFA is increasing its estimate as to the annual average number of compliance submissions made by Bank members, on behalf of project sponsors and owners, from 700 to 715 to reflect anticipated higher amounts of funds being available for the AHP due to higher projected Bank incomes (and therefore more projects approved). The estimate for the average preparation time for each submission would remain at 1 hour. Thus, FHFA's estimate for the total annual hour burden on members and project sponsors and owners in connection with the preparation and submission of these compliance submissions for projects approved under the Banks' General Funds and Targeted Funds is 715 hours (715 submissions x 1 hour). 3. Modification Requests for Approved General Fund and Targeted Fund Projects     (a) Existing requirement: The current regulation permits a Bank to approve a modification to the terms of an approved competitive application that would change the score that the application received in the funding period in which it was originally scored and approved, had the changed facts been operative at that time. In order to be considered for a modification: (i) The project, incorporating the changes, must continue to meet the regulatory eligibility requirements; (ii) the application, as reflective of the changes, must continue to score high enough to have been approved in the funding period in which it was originally scored and approved; and (iii) there must be good cause for the modification, and the analysis and justification for the modification must be documented by the Bank in writing.\65\ Banks typically require the member and project sponsor or owner requesting a modification to provide a written analysis and justification as part of their modification request. ---------------------------------------------------------------------------

    \65\ See 12 CFR 1291.5(f). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: The proposed rule would add a requirement that before a Bank may approve a modification request, it must have first requested that the project cure any AHP noncompliance and that the cure was unsuccessful after a reasonable period of time. FHFA estimates that this revision will result in about five percent fewer approved AHP projects requesting modifications. The proposed rule would have no effect on the amount of time needed to prepare and submit a modification request and any supporting materials.     (c) Use: The Banks would use the information submitted to determine whether requests for modifications of approved projects under their General Funds and Targeted Funds meet the regulatory requirements for approval.     (d) Revised burden estimates: FHFA is decreasing its estimate as to the annual average number of modification requests made by Bank members, on behalf of project sponsors and owners, from 300 to 290. This takes into account both the estimated five percent decrease in the percentage of approved projects requesting modifications arising from the effects of the proposed rule and an estimated two percent increase in the number of approved projects due to higher projected Bank income. The estimate for the average preparation time for each submission would remain at 2.5 hours. Thus, FHFA's estimate for the total annual hour burden on members and project sponsors and owners in connection with the preparation and submission of these modification requests is 725 hours (290 requests x 2.5 hours). 4. Initial Monitoring Submissions for Approved General Fund and Targeted Fund Projects     (a) Existing requirement: The current regulation requires generally that a Bank monitor each owner-occupied and rental project receiving AHP subsidy under its Competitive Application ***Program*** prior to and after project completion. For initial monitoring, a Bank must determine whether the project is making satisfactory progress towards completion, in compliance with the commitments made in the approved AHP application, Bank policies, and the AHP regulatory requirements. Following project completion, the Bank must determine whether satisfactory progress is being made towards occupancy of the project by eligible households, and whether the project meets the regulatory requirements and the commitments made in the approved AHP application.\66\ ---------------------------------------------------------------------------

    \66\ See 12 CFR 1291.7(a)(1). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: In the case of approved projects that also receive funding through LIHTCs, the proposed rule would retain the initial monitoring requirement that project sponsors certify to the Banks that the residents' incomes and the rents comply with the income- targeting and rent commitments in the approved AHP application. The proposed rule would also include a requirement, consistent with Bank practice, that the Banks obtain and review the project's rent rolls, a type of back-up documentation. However, the proposed rule would remove the requirement that the Banks obtain and review other back-up documentation on incomes and rents, such as W-2 forms, at initial monitoring for LIHTC projects, which they are currently required to review on a risk basis.

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    The proposed rule would also provide that, for AHP projects funded by certain other government ***programs*** specified in separate FHFA guidance, the Banks would be required to obtain and review only project sponsor certifications and rent rolls at the initial monitoring stage. For such projects, the Banks would not be required to review any back- up documentation for incomes and rents, as is generally required at the initial monitoring stage.     FHFA estimates that these proposed revisions would decrease the average amount of time needed for Bank members and project sponsors or owners to prepare and submit materials related to the initial monitoring of approved projects by ten percent.     (c) Use: The Banks would use the information collected in connection with their initial monitoring of approved General Fund and Targeted Fund projects to determine whether the projects are making satisfactory progress towards completion, and following project completion, are making satisfactory progress towards occupancy of the project by eligible households, in compliance with the commitments made in the approved AHP applications, Bank policies, and the regulatory requirements.     (d) Revised burden estimates: FHFA is increasing its estimate as to the annual average number of submissions related to the initial monitoring of in-progress and recently completed AHP projects from 500 to 510, which reflects an estimated two percent increase in the number of approved projects due to projected higher Bank incomes. FHFA is decreasing its estimate for the average preparation time for each submission from 5 hours to 4.5 hours, which reflects the effects of the proposed rule, as described above. Thus, FHFA's estimate for the total annual hour burden on members and project sponsors and owners in connection with the preparation and submission of documentation required for initial monitoring of the Banks' General Fund and Targeted Fund projects is 2,295 hours (510 submissions x 4.5 hours). 5. Long-Term Monitoring Submissions for Approved General Fund and Targeted Fund Projects     (a) Existing requirement: The current regulation requires that for long-term monitoring of rental projects, subject to certain exceptions, a Bank must determine whether, during the 15-***year*** retention period, the household incomes and rents comply with the income-targeting and rent commitments made in the approved AHP application.\67\ A Bank must obtain and review appropriate documentation maintained by the project sponsor or owner. ---------------------------------------------------------------------------

    \67\ See 12 CFR 1291.7(a)(4). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: The proposed rule would implement a number of changes to streamline certain aspects of the long-term monitoring process. Under the proposed rule, as under the current regulation, project sponsors or owners of LIHTC projects would not be required to submit compliance reports for such projects to the Bank during the AHP retention period. The proposed rule, however, would add a requirement that the members' AHP agreements with project sponsors and owners include a provision requiring the party to notify the Bank if a LIHTC project is noncompliant with the LIHTC income-targeting or rent requirements at any time during the AHP 15-***year*** retention period. The proposed rule would also provide that, for AHP projects funded by certain other government ***programs***, the Banks would be required to review only project sponsor certifications each ***year*** during the long- term retention period. The Banks would not be required to review any back-up documentation for incomes and rents, including rent rolls, for those projects, as they are generally required to do on a risk basis.     The proposed rule would codify existing Bank best practices that require submission by project sponsors of annual project certifications during the AHP 15-***year*** retention period that include not only the required household income and rent information, but also information on the ongoing financial viability of the project, such as whether the project is current on property taxes and loan ***payments***, its vacancy rate, or whether it is in compliance with its commitments to other funding sources.     FHFA estimates that the net effect of the above-described revisions would be to decrease the average amount of time needed for Bank members and project sponsors or owners to prepare and submit materials related to the long-term monitoring of approved projects by ten percent.     (c) Use: The Banks would use the information collected as part of their long-term monitoring to determine whether during the 15-***year*** retention period, completed rental projects under their General Funds and Targeted Funds continue to comply with the household income- targeting and rent commitments made in the approved AHP applications.     (d) Revised burden estimates: FHFA is increasing its estimate as to the annual average number of submissions related to the long-term monitoring of completed AHP rental projects from 4,800 to 4,900, which reflects an estimated two percent increase in the number of approved projects due to projected higher Bank incomes. FHFA is decreasing its estimate for the average preparation time for each submission from 3 hours to 2.7 hours, which reflects the effects of the proposed rule, as described above. Thus, FHFA's estimate for the total annual hour burden on members and project sponsors and owners in connection with the preparation and submission of documentation required for long-term monitoring of completed rental projects approved under the Banks' General Funds and Targeted Funds is 13,230 hours (4,900 submissions x 2.7 hours). 6. Homeownership Set-Aside ***Program*** Applications and Certifications     (a) Existing requirement: The current regulation authorizes each Bank, in its discretion, to allocate up to the greater of $4.5 million or 35 percent of its annual required AHP contribution to establish Homeownership Set-Aside ***Programs*** for the purpose of promoting homeownership for low- or moderate-income households.\68\ Under these Homeownership Set-Aside ***Programs***, a Bank provides to its members AHP direct subsidies, which are provided by the members to eligible households as grants to pay for down ***payment***, closing cost, counseling cost, or rehabilitation assistance in connection with the household's purchase of a primary residence or rehabilitation of an owner-occupied residence.\69\ Prior to the Bank's disbursement of a direct subsidy under its Homeownership Set-Aside ***Program***, the member must provide a certification that the subsidy will be provided in compliance with all applicable regulatory eligibility requirements.\70\ ---------------------------------------------------------------------------

    \68\ See 12 CFR 1291.2(b)(2); 1291.6     \69\ See 12 CFR 1291.6(c)(4).     \70\ See 12 CFR 1291.7(b)(2). ---------------------------------------------------------------------------

    (b) Effect of proposed rule: The proposed rule would increase the maximum permissible percentage allocation amount for each Bank's Homeownership Set-Aside ***Program*** from 35 to 40 percent of the Bank's annual required AHP contribution, while retaining the existing alternative maximum permissible allocation amount of $4.5 million. In addition, the proposed rule would increase the maximum permissible direct subsidy amount that a Bank could provide to a

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household from $15,000 to $22,000, which would be adjusted annually to reflect increases in FHFA's Housing Price Index. While adoption of the proposed higher subsidy limit could result in fewer households receiving set-aside subsidies, Banks could choose to offset this by increasing the maximum amount of AHP funds they allocate to their Homeownership Set-Aside ***Programs*** from 35 to 40 percent. Notwithstanding that the Banks would be authorized to adopt a higher subsidy limit than is permitted under the current regulation, FHFA expects that most Banks will continue to establish lower subsidy limits in order to serve a greater number of households. Accordingly, FHFA anticipates that the proposed regulatory revisions may cause the Banks to provide a higher number of set-aside subsidies annually.     None of the proposed revisions would affect the amount of time needed for a Bank member to prepare a Homeownership Set-Aside ***Program*** application or monitoring certification.     (c) Use: The Banks would use the information collected in connection with their Homeownership Set-Aside ***Programs*** to determine whether applications for direct subsidy under those ***programs*** were approved, and the direct subsidies disbursed, in accordance with the regulatory requirements.     (d) Revised burden estimates: FHFA is increasing its estimate as to the annual average number of applications and required certifications for AHP direct subsidies under the Banks' Homeownership Set-Aside ***Programs*** from 13,000 to 15,000 to reflect anticipated higher amounts of funds being available for the AHP due to projected higher Bank incomes, in addition to the effect of the proposed increase--from 35 to 40 percent--in the percentage of their AHP contributions that the Banks may allocate to their Homeownership Set-Aside ***Programs***. The estimate for the average preparation time for each submission would remain at 5 hours. Thus, FHFA's estimate for the total annual hour burden on members in connection with the preparation and submission of Homeownership Set-Aside ***Program*** applications and certifications is 75,000 hours (15,000 applications/certifications x 5 hours).

VII. Regulatory Flexibility Act

    The Regulatory Flexibility Act \71\ requires that a regulation that has a significant economic impact on a substantial number of small entities, small businesses, or small organizations must include an initial regulatory flexibility analysis describing the regulation's impact on small entities. Such an analysis need not be undertaken if the agency has certified that the regulation will not have a significant economic impact on a substantial number of small entities.\72\ FHFA has considered the impact of the proposed rule under the Regulatory Flexibility Act. The General Counsel of FHFA certifies that the proposed rule, if adopted as a final rule, is not likely to have a significant economic impact on a substantial number of small entities because the regulation applies to the Banks, which are not small entities for purposes of the Regulatory Flexibility Act. ---------------------------------------------------------------------------

    \71\ 5 U.S.C 601 et seq.     \72\ 5 U.S.C 605(b). ---------------------------------------------------------------------------

List of Subjects

12 CFR Part 1290

    Banks and banking, Credit, Federal home loan banks, Housing, Mortgages, Reporting and recordkeeping requirements.

12 CFR Part 1291

    Community development, Credit, Federal home loan banks, Housing, Low- and moderate-income housing, Mortgages, Reporting and recordkeeping requirements.

    For the reasons stated in the preamble, FHFA proposes to amend parts 1290 and 1291 of Title 12 of the Code of Federal Regulations as follows:

PART 1290--COMMUNITY SUPPORT REQUIREMENTS

0 1. The authority citation for part 1290 is revised to read as follows:

    Authority:  12 U.S.C 1430(g).

0 2. Amend Sec.  1290.6 by revising paragraph (a)(5) and adding paragraphs (c) and (d) to read as follows:

Sec.  1290.6   Bank community support ***programs***.

    (a) \* \* \*     (5) Include an annual Targeted Community Lending Plan, approved by the Bank's board of directors and subject to modification. The Bank's board of directors shall not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility to adopt or amend the Targeted Community Lending Plan. The Targeted Community Lending Plan shall:     (i) Reflect market research conducted in the Bank's district;     (ii) Describe how the Bank will address identified credit needs and market opportunities in the Bank's district for targeted community lending;     (iii) Be developed in consultation with (and may only be amended after consultation with) its Advisory Council and with members, housing associates, and public and private economic development organizations in the Bank's district in developing and implementing its Targeted Community Lending Plan;     (iv) Establish quantitative targeted community lending performance goals; and     (v) Describe how the Bank will address identified significant affordable housing needs in its district through its Affordable Housing ***Program***, reflecting:     (A) Market research conducted or obtained by the Bank on affordable housing needs in the Bank's district;     (B) Identification and assessment of significant affordable housing needs in the Bank's district, supported by empirical data; and     (C) Specification, from among the identified affordable housing needs, of the specific affordable housing needs the Bank will address through its funding allocations and scoring criteria under its General Fund and any Bank Targeted Funds and Homeownership Set-Aside ***Programs***, as set forth in its AHP Implementation Plan pursuant to 12 CFR 1291.13(b). \* \* \* \* \*     (c) Public access. A Bank shall publish its current Targeted Community Lending Plan on its publicly available website, and shall publish any amendments to its Targeted Community Lending Plan on the website within 30 days after the date of their adoption by the Bank's board of directors. Publication of the Targeted Community Lending Plan on the website shall be at least six months before the beginning of the Plan ***year***.     (d) Notification of Plan amendments to FHFA. A Bank shall notify FHFA of any amendments to its Targeted Community Lending Plan within 30 days after the date of their adoption by the Bank's board of directors.

PART 1291--FEDERAL HOME LOAN BANKS' AFFORDABLE HOUSING ***PROGRAM***

0 3. Revise part 1291 to read as follows:

PART 1291--FEDERAL HOME LOAN BANKS' AFFORDABLE HOUSING ***PROGRAM***

Subpart A--General Sec. 1291.1 Definitions.

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Subpart B--***Program*** Administration and Governance 1291.10 Required annual AHP contribution. 1291.11 Temporary suspension of AHP contributions. 1291.12 Allocation of required annual AHP contribution. 1291.13 Targeted Community Lending Plan; AHP Implementation Plan. 1291.14 Advisory Councils. 1291.15 Agreements. 1291.16 Conflicts of interest. Subpart C--General Fund and Targeted Funds 1291.20 Establishment of ***programs***. 1291.21 Eligible applicants. 1291.22 Funding periods; application process. 1291.23 Eligible projects. 1291.24 Eligible uses. 1291.25 Scoring methodology. 1291.26 Approval of AHP applications. 1291.27 Modifications of approved AHP applications. 1291.28 Procedures for funding. 1291.29 Lending and re-lending of AHP direct subsidy by revolving loan funds. 1291.30 Use of AHP subsidy in loan pools. Subpart D--Homeownership Set-Aside ***Programs*** 1291.40 Establishment of ***programs***. 1291.41 Eligible applicants. 1291.42 Eligibility requirements. 1291.43 Approval of AHP applications. 1291.44 Procedures for funding. Subpart E--Outcome Requirements for Statutory and Regulatory Priorities 1291.48 Outcome requirements for statutory and regulatory priorities. 1291.49 Determination of compliance with outcome requirements; notice of determination. Subpart F--Monitoring 1291.50 Monitoring under General Fund and Targeted Funds. 1291.51 Monitoring under Homeownership Set-Aside ***Programs***. Subpart G--Remedial Actions for Noncompliance 1291.60 Remedial actions for project noncompliance. 1291.61 Recovery of subsidy for member noncompliance. 1291.62 Bank reimbursement of AHP fund. 1291.63 Suspension and debarment. 1291.64 Use of repaid AHP subsidies for other AHP-eligible projects and households. 1291.65 Remedial actions for Bank noncompliance with outcome requirements. 1291.66 ***Transfer*** of ***Program*** administration. Subpart H--Affordable Housing Reserve Fund 1291.70 Affordable Housing Reserve Fund.

    Authority:  12 U.S.C 1430(j).

Subpart A--General

Sec.  1291.1  Definitions.

    As used in this part:     Affordable means that:     (1) The rent charged to a household for a unit that is to be reserved for occupancy by a household with an income at or below 80 percent of the median income for the area, does not exceed 30 percent of the income of a household of the maximum income and size expected, under the commitment made in the AHP application, to occupy the unit (assuming occupancy of 1.5 persons per bedroom or 1.0 persons per unit without a separate bedroom); or     (2) The rent charged to a household, for rental units subsidized with Section 8 assistance under 42 U.S.C 1437f or subsidized under another assistance ***program*** where the rents are charged in the same way as under the Section 8 ***Program***, if the rent complied with this definition at the time of the household's initial occupancy and the household continues to be assisted through the Section 8 or another assistance ***program***, respectively.     AHP means the Affordable Housing ***Program*** required to be established by the Banks pursuant to 12 U.S.C 1430(j) and this part.     AHP project means a single-family or multifamily housing project for owner-occupied or rental housing that has been awarded or has received AHP subsidy under a Bank's General Fund and any Targeted Funds established by the Bank.     Cost of funds means, for purposes of a subsidized advance, the estimated cost of issuing Bank System consolidated obligations with maturities comparable to that of the subsidized advance.     Direct subsidy means an AHP subsidy in the form of a direct cash ***payment***.     Eligible household means a household that meets the income limits and other requirements specified by a Bank for its General Fund and any Targeted Funds and Homeownership Set-Aside ***Programs*** established by the Bank, provided that:     (1) In the case of owner-occupied housing, the household's income may not exceed 80 percent of the median income for the area; and     (2) In the case of rental housing, the household's income in at least 20 percent of the units may not exceed 50 percent of the median income for the area.     Eligible project means a project eligible to receive AHP subsidy pursuant to the requirements of this part.     Extremely low-income household means a household that has an income at or below 30 percent of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard selected from those enumerated in the definition of ``median income for the area,'' unless such median income standard has no household size adjustment methodology.     Family member means any individual related to a person by blood, marriage, or adoption.     Funding period means a time period, as determined by a Bank, during which the Bank accepts AHP applications for subsidy under the Bank's General Fund and any Targeted Funds established by the Bank.     General Fund means a ***program*** required to be established by a Bank under which the Bank approves (i.e , awards) applications for AHP subsidy through a competitive application scoring process developed by the Bank and disburses the subsidy, pursuant to the requirements of this part.     Homeownership Set-Aside ***Program*** means a ***program*** established by a Bank, in its discretion, under which the Bank approves (i.e , awards) applications for AHP direct subsidy through a noncompetitive process developed by the Bank and disburses the subsidy, pursuant to the requirements of this part.     Loan pool means a group of mortgage or other loans meeting the requirements of this part that are purchased, pooled, and held in trust.     Low- or moderate-income household means a household that has an income of 80 percent or less of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard selected from those enumerated in the definition of ``median income for the area,'' unless such median income standard has no household size adjustment methodology.     Low- or moderate-income neighborhood means any neighborhood in which 51 percent or more of the households have incomes at or below 80 percent of the median income for the area.     Median income for the area means one or more of the following median income standards as determined by a Bank, after consultation with its Advisory Council, in its AHP Implementation Plan:     (1) The median income for the area, as published annually by HUD;     (2) The median income for the area obtained from the Federal Financial Institutions Examination Council;

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    (3) The applicable median family income, as determined under 26 U.S.C 143(f) (Mortgage Revenue Bonds) and published by a state agency or instrumentality;     (4) The median income for the area, as published by the United States Department of ***Agriculture***; or     (5) The median income for an applicable definable geographic area, as published by a federal, state, or local government entity, and approved by FHFA, at the request of a Bank, for use under the AHP.     Multifamily building means a structure with five or more dwelling units.     Net earnings of a Bank means the net earnings of a Bank for a ***calendar*** ***year*** before declaring or paying any dividend under section 16 of the Bank Act (12 U.S.C 1436). For purposes of this part, ``dividend'' includes any dividends on capital stock subject to a redemption request even if under GAAP those dividends are treated as an ``interest expense.''     Owner-occupied project means, for purposes of a Bank's General Fund and any Targeted Funds established by the Bank, one or more owner- occupied units in a single-family or multifamily building, including condominiums, cooperative housing, and manufactured housing.     Owner-occupied unit means a dwelling unit occupied by the owner of the unit. Housing with two to four dwelling units consisting of one owner-occupied unit and one or more rental units is considered a single owner-occupied unit.     ***Program*** means the Affordable Housing ***Program*** established pursuant to this part.     Regulatory priority means underserved communities and populations, creating economic opportunity, or affordable housing preservation, as described in Sec.  1291.48(d)(1), (d)(2), or (d)(3), respectively.     Rental project means, for purposes of a Bank's General Fund and any Targeted Funds established by the Bank, one or more dwelling units for occupancy by households that are not owner-occupants, including overnight and emergency shelters, transitional housing for homeless households, mutual housing, single-room occupancy housing, and manufactured housing communities.     Retention period means fifteen ***years*** from the date of completion for a rental project.     Revolving loan fund means a capital fund established to make mortgage or other loans whereby loan principal is repaid into the fund and re-lent to other borrowers.     Single-family building means a structure with one to four dwelling units.     Sponsor means a not-for-profit or for-profit organization or public entity that:     (1) Has an ownership interest (including any partnership interest), as defined by the Bank in its AHP Implementation Plan, in a rental project;     (2) Is integrally involved, as defined by the Bank in its AHP Implementation Plan, in an owner-occupied project, such as by exercising control over the planning, development, or management of the project, or by qualifying borrowers and providing or arranging financing for the owners of the units;     (3) Operates a loan pool; or     (4) Is a revolving loan fund.     Statutory priority means use of donated or conveyed government- owned or other properties, project sponsorship by a not-for-profit organization or government entity, or purchase of homes by low- or moderate-income households, as described in Sec.  1291.48(a)(1), (a)(2), or (b), respectively.     Subsidized advance means an advance to a member at an interest rate reduced below the Bank's cost of funds by use of a subsidy.     Subsidy means:     (1) A direct subsidy, provided that if a direct subsidy is used to write down the interest rate on a loan extended by a member, sponsor, or other party to a project, the subsidy must equal the net present value of the interest foregone from making the loan below the lender's market interest rate; or     (2) The net present value of the interest revenue foregone from making a subsidized advance at a rate below the Bank's cost of funds.     Targeted Fund means a ***program*** established by a Bank, in its discretion, under which the Bank approves (i.e , awards) applications for AHP subsidy through a competitive application scoring process developed by the Bank and disburses the subsidy, pursuant to the requirements of this part.     Very low-income household means a household that has an income at or below 50 percent of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard selected from those enumerated in the definition of ``median income for the area,'' unless such median income standard has no household size adjustment methodology.     Visitable means, in either owner-occupied or rental housing, at least one entrance is at-grade (no steps) and approached by an accessible route such as a sidewalk, and the entrance door and all interior passage doors are at least 2 feet, 10 inches wide, offering 32 inches of clear passage space.

Subpart B--***Program*** Administration and Governance

Sec.  1291.10  Required annual AHP contribution.

    Each Bank shall contribute annually to its ***Program*** the greater of:     (a) 10 percent of the Bank's net earnings for the previous ***year***; or     (b) That Bank's pro rata share of an aggregate of $100 million to be contributed in total by the Banks, such proration being made on the basis of the net earnings of the Banks for the previous ***year***, except that the required annual AHP contribution for a Bank shall not exceed its net earnings in the previous ***year***.

Sec.  1291.11  Temporary suspension of AHP contributions.

    (a) Request to FHFA. If a Bank finds that the contributions required pursuant to Sec.  1291.10 are contributing to the financial instability of the Bank, the Bank may apply in writing to FHFA for a temporary suspension of such contributions.     (b) Director review.--(1) In determining the financial instability of a Bank, the Director shall consider such factors as:     (i) Severely depressed Bank earnings;     (ii) A substantial decline in Bank membership capital; and     (iii) A substantial reduction in Bank advances outstanding.     (2) Limitations on grounds for suspension. The Director shall not suspend a Bank's annual AHP contributions if it determines that the Bank's reduction in earnings is due to:     (i) A change in the terms of advances to members that is not justified by market conditions;     (ii) Inordinate operating and administrative expenses; or     (iii) Mismanagement.

Sec.  1291.12  Allocation of required annual AHP contribution.

    Each Bank, after consultation with its Advisory Council and pursuant to written policies adopted by the Bank's board of directors, shall meet the following requirements for allocation of its required annual AHP contribution.     (a) General Fund. Each Bank shall allocate annually at least 50 percent of its required annual AHP contribution to provide funds to members through a General Fund established and

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administered by the Bank pursuant to the requirements of this part.     (b) Homeownership Set-Aside ***Programs***. A Bank may, in its discretion, allocate annually, in the aggregate, up to the greater of $4.5 million or 40 percent of its required annual AHP contribution to provide funds to members participating in Homeownership Set-Aside ***Programs*** established and administered by the Bank pursuant to the requirements of this part, provided that at least one-third of the Bank's aggregate annual set-aside allocation to such ***programs*** is allocated to assist first-time homebuyers or households for owner- occupied rehabilitation.     (c) Targeted Funds.--(1) Phase-in requirements for funding allocations. Unless otherwise directed by FHFA and subject to the phase-in requirements for the number of Targeted Funds in Sec.   1291.20(b), a Bank may, in its discretion, allocate annually, up to:     (i) 20 percent, in the aggregate, of its required annual AHP contribution to any Targeted Funds;     (ii) 30 percent, in the aggregate, of its required annual AHP contribution to any Targeted Funds, provided that it allocated at least 20 percent, in the aggregate, of its required annual AHP contribution to one or more Targeted Funds in any preceding ***year***; or     (iii) 40 percent, in the aggregate, of its required annual AHP contribution to any Targeted Funds, provided that it allocated at least 30 percent, in the aggregate, of its required annual AHP contribution to one or more Targeted Funds in any preceding ***year***.     (2) ***Transfer*** of uncommitted funds. A Bank shall ***transfer*** any uncommitted Targeted Fund amounts to its General Fund for awards to alternates under the General Fund in the same ***calendar*** ***year***.     (d) Acceleration of funding. A Bank may, in its discretion, accelerate to its current ***year***'s ***Program*** from future required annual AHP contributions an amount up to the greater of $5 million or 20 percent of its required annual AHP contribution for the current ***year***. The Bank may credit the amount of the accelerated contribution against required AHP contributions under this part 1291 over one or more of the subsequent five ***years***.     (e) No delegation. A Bank's board of directors shall not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility for adopting the Bank's policies for its General Fund and any Bank Targeted Funds and Homeownership Set-Aside ***Programs***.

Sec.  1291.13   Targeted Community Lending Plan; AHP Implementation Plan.

    (a) Targeted Community Lending Plan. Pursuant to the requirements of 12 CFR 1290.6(a)(5)(v), a Bank's annual Targeted Community Lending Plan adopted under its community support ***program*** shall, among other things, identify the significant affordable housing needs in its district that will be addressed through its General Fund and any Bank Targeted Funds and Homeownership Set-Aside ***Programs***, as set forth in its AHP Implementation Plan.     (b) AHP Implementation Plan. Each Bank's board of directors, after consultation with its Advisory Council, shall adopt a written AHP Implementation Plan, and shall not amend the AHP Implementation Plan without first consulting its Advisory Council. The Bank's board of directors shall not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility for such prior consultations with the Advisory Council or the responsibility for adopting or amending the AHP Implementation Plan. The AHP Implementation Plan shall set forth, at a minimum:     (1) The applicable median income standard or standards adopted by the Bank consistent with the definition of median income for the area in Sec.  1291.1     (2) For the General Fund established by the Bank pursuant to Sec.   1291.20(a), the Bank's requirements for the General Fund, including the specific funding allocation pursuant to Sec.  1291.12(a), the Bank's scoring criteria, including its scoring tie-breaker policy, adopted pursuant to Sec.  1291.25(d), and the possibility of re-ranking scored applications and alternates pursuant to Sec.  1291.26     (3) For each Targeted Fund established by the Bank, if any, pursuant to Sec.  1291.20(b), the Bank's requirements for the Targeted Fund, including the specific funding allocation pursuant to Sec.   1291.12(c), the Bank's scoring criteria, including its scoring tie- breaker policy, adopted pursuant to Sec.  1291.25(d), the possibility of re-ranking scored applications and alternates pursuant to Sec.   1291.26, and the controls adopted pursuant to Sec.  1291.20(c)(1).     (4) The Bank's policy on how it will decide under which Fund to approve a project that scores high enough to be approved under multiple Funds, pursuant to Sec.  1291.26(d).     (5) For each Homeownership Set-Aside ***Program*** established by the Bank, if any, pursuant to Sec.  1291.40, the Bank's requirements for the ***program***, including the specific funding allocation, how the one- third allocation requirement is apportioned with respect to first-time homebuyers and households for owner-occupied rehabilitation pursuant to Sec.  1291.12(b), and the Bank's application and subsidy disbursement methodology.     (6) The Bank's retention agreement requirements for rental projects under its General Fund and any Bank Targeted Funds pursuant to Sec.   1291.15(a)(7).     (7) Any optional Bank district eligibility requirements adopted by the Bank pursuant to Sec.  1291.24(c).     (8) The Bank's requirements for funding revolving loan funds, if adopted by the Bank pursuant to Sec.  1291.29;     (9) The Bank's requirements for funding loan pools, if adopted by the Bank pursuant to Sec.  1291.30;     (10) The Bank's requirements for monitoring under its General Fund and any Bank Targeted Funds and Homeownership Set-Aside ***Programs*** pursuant to Sec. Sec.  1291.50 and 1291.51     (c) Advisory Council review. Prior to the amendment of a Bank's AHP Implementation Plan, the Bank shall provide its Advisory Council an opportunity to review the document, and the Advisory Council shall provide its recommendations to the Bank's board of directors for its consideration.     (d) Notification of Plan amendments to FHFA. A Bank shall notify FHFA of any amendments made to its AHP Implementation Plan within 30 days after the date of their adoption by the Bank's board of directors.     (e) Public access. A Bank shall publish its current AHP Implementation Plan on its publicly available website, and shall publish any amendments to the AHP Implementation Plan on the website within 30 days after the date of their adoption by the Bank's board of directors.

Sec.  1291.14  Advisory Councils.

    (a) Appointment.--(1) Each Bank's board of directors shall appoint an Advisory Council of 7 to 15 persons who reside in the Bank's district and are drawn from community and not-for-profit organizations that are actively involved in providing or promoting low- and moderate- income housing, and community and not-for-profit organizations that are actively involved in providing or promoting community lending, in the district. Community organizations include for-profit organizations.     (2) Each Bank shall solicit nominations for membership on the Advisory Council from community and not-for-profit organizations pursuant to a nomination process that is as broad

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and as participatory as possible, allowing sufficient time for responses.     (3) The Bank's board of directors shall appoint Advisory Council members from a diverse range of organizations so that representatives of no one group constitute an undue proportion of the membership of the Advisory Council, giving consideration to the size of the Bank's district and the diversity of low- and moderate-income housing and community lending needs and activities within the district.     (b) Terms of Advisory Council members. Pursuant to policies adopted by the Bank's board of directors, Advisory Council members shall be appointed by the Bank's board of directors to serve for terms of three ***years***, which shall be staggered to provide continuity in experience and service to the Advisory Council, except that Advisory Council members may be appointed to serve for terms of one or two ***years*** solely for purposes of reconfiguring the staggering of the three-***year*** terms. No Advisory Council member may be appointed to serve for more than three full consecutive terms. An Advisory Council member appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.     (c) Election of officers. Each Advisory Council shall elect from among its members a chairperson, a vice chairperson, and any other officers the Advisory Council deems appropriate.     (d) Duties--(1) Meetings with the Banks.--(i) The Advisory Council shall meet with representatives of the Bank's board of directors at least quarterly to provide advice on ways in which the Bank can better carry out its housing finance and community lending mission, including, but not limited to, advice on the low- and moderate-income housing and community lending ***programs*** and needs in the Bank's district, and on the use of AHP subsidies, Bank advances, and other Bank credit products for these purposes.     (ii) The Advisory Council's advice shall include recommendations on:     (A) The Bank's Targeted Community Lending Plan, and any amendments thereto, adopted by the Bank pursuant to 12 CFR 1290.6(a)(5)(iii);     (B) The amount of AHP funds to be allocated to the Bank's General Fund and any Bank Targeted Funds, and the amount of AHP funds to be allocated to any Bank Homeownership Set-Aside ***Programs***, including the apportionment of the funds between first-time homebuyers and households for owner-occupied rehabilitation under the one-third allocation requirement in Sec.  1291.12(b);     (C) The AHP Implementation Plan and any subsequent amendments thereto;     (D) The Bank's scoring criteria, related definitions, and any additional optional district eligibility requirements for the Bank's General Fund and any Bank Targeted Funds; and     (E) The eligibility requirements and any priority criteria for any Bank Homeownership Set-Aside ***Programs***.     (2) Summary of AHP applications. The Bank shall comply with requests from the Advisory Council for summary information regarding AHP applications from prior funding periods.     (3) Annual analysis; public access--(i) Each Advisory Council annually shall submit to FHFA by May 1 its analysis of the low- and moderate-income housing and community lending activity of the Bank by which it is appointed.     (ii) Within 30 days after the date the Advisory Council's annual analysis is submitted to FHFA, the Bank shall publish the analysis on its publicly available website.     (e) Expenses. The Bank shall pay Advisory Council members' travel expenses, including transportation and subsistence, for each day devoted to attending meetings with representatives of the board of directors of the Bank and meetings requested by FHFA.     (f) No delegation. A Bank's board of directors may delegate to a committee of the board, but not to Bank officers or other Bank employees, the responsibility to appoint persons as members of the Advisory Council. A Bank's board of directors may not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility to meet with the Advisory Council at the quarterly meetings required by the Bank Act (12 U.S.C 1430(j)(11)).

Sec.  1291.15   Agreements.

    (a) Agreements between Banks and members. A Bank shall have in place with each member receiving an AHP subsidized advance or AHP direct subsidy an agreement or agreements containing, at a minimum, the following provisions, where applicable:     (1) Notification of member. The member has been notified of the requirements of this part as they may be amended from time to time, and all Bank policies relevant to the member's approved application for AHP subsidy.     (2) AHP subsidy pass-through. The member shall pass on the full amount of the AHP subsidy to the project or household, as applicable, for which the subsidy was approved.     (3) Use of AHP subsidy--(i) Use of AHP subsidy by the member. The member shall use the AHP subsidy in accordance with the terms of the member's approved application for the subsidy and the requirements of this part.     (ii) Use of AHP subsidy by the project sponsor or owner. The member shall have in place an agreement with each project sponsor or project owner in which the project sponsor or project owner agrees to use the AHP subsidy in accordance with the terms of the member's approved application for the subsidy and the requirements of this part.     (4) Repayment of AHP subsidies in case of noncompliance.--(i) Noncompliance by the member. The member shall repay AHP subsidies to the Bank in accordance with the requirements of Sec.  1291.61     (ii) Noncompliance by a project sponsor or project owner.--(A) Agreement. The member shall have in place an agreement with each project sponsor or project owner in which the project sponsor or project owner agrees to repay AHP subsidies to the member or the Bank in accordance with the requirements of Sec.  1291.60     (B) Recovery of AHP subsidies.--(i) Noncompliance by the member. The member shall recover from the project sponsor or project owner and repay to the Bank AHP subsidy in accordance with the requirements of Sec.  1291.60 (if applicable).     (5) Project monitoring--(i) Monitoring by the member. The member shall comply with the monitoring requirements applicable to it, as established by the Bank in its monitoring policies pursuant to Sec. Sec.  1291.50 and 1291.51     (ii) Agreement. The member shall have in place an agreement with each project sponsor and project owner, in which the project sponsor and project owner agree to comply with the monitoring requirements applicable to such parties, as established by the Bank in its monitoring policies pursuant to Sec.  1291.50, which shall also include agreeing to provide prompt written notice to the Bank if the project also received tax credits under the Low-Income Housing Tax Credit ***Program*** and the project is in noncompliance with the income targeting or rent requirements applicable under the Low-Income Housing Tax Credit ***Program*** at any time during the AHP 15-***year*** retention period.     (6) ***Transfer*** of AHP obligations--(i) To another member. The member shall make best efforts to ***transfer*** its obligations under the approved

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application for AHP subsidy to another member in the event of its loss of membership in the Bank prior to the Bank's final disbursement of AHP subsidies.     (ii) To a nonmember. If, after final disbursement of AHP subsidies to the member, the member undergoes an acquisition or a consolidation resulting in a successor organization that is not a member of the Bank, the nonmember successor organization assumes the member's obligations under its approved application for AHP subsidy, and where the member received an AHP subsidized advance, the nonmember assumes such obligations until prepayment or orderly liquidation by the nonmember of the subsidized advance.     (7) Retention agreements for rental projects. The member shall ensure that an AHP-assisted rental project is subject to a deed restriction or other legally enforceable retention agreement or mechanism requiring that:     (i) The project's rental units, or applicable portion thereof, must remain occupied by and affordable for households with incomes at or below the levels committed to be served in the approved AHP application for the duration of the retention period;     (ii) The Bank and its designee is to be given notice of any sale, ***transfer***, assignment of title or deed, or refinancing of the project during the retention period;     (iii) In the case of a sale, ***transfer***, assignment of title or deed, or refinancing of the project by the owner during the retention period, the full amount of the AHP subsidy received by the owner shall be repaid to the Bank, unless:     (A) The project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application for the duration of the retention period; or     (B) If authorized by the Bank, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application for the remainder of the retention period; and     (iv) The income-eligibility and affordability restrictions applicable to the project shall terminate after any foreclosure.     (8) Lending of AHP direct subsidies. If a member or a project sponsor lends AHP direct subsidy to a project, any repayments of principal and ***payments*** of interest received by the member or the project sponsor must be paid forthwith to the Bank, unless the direct subsidy is being both lent and re-lent by a revolving loan fund pursuant to Sec.  1291.29(d).     (9) Special provisions where members obtain AHP subsidized advances.--(i) Repayment schedule. The term of an AHP subsidized advance shall be no longer than the term of the member's loan to the project funded by the advance, and at least once in every 12-month period, the member shall be scheduled to make a principal repayment to the Bank equal to the amount scheduled to be repaid to the member on its loan to the project in that period.     (ii) Prepayment fees. Upon a prepayment of an AHP subsidized advance, the Bank shall charge a prepayment fee only to the extent the Bank suffers an economic loss from the prepayment.     (iii) Treatment of loan prepayment by project. If all or a portion of the loan or loans financed by an AHP subsidized advance are prepaid by the project to the member, the member may, at its option, either:     (A) Repay to the Bank that portion of the advance used to make the loan or loans to the project, and be subject to a fee imposed by the Bank sufficient to compensate the Bank for any economic loss the Bank experiences in reinvesting the repaid amount at a rate of return below the cost of funds originally used by the Bank to calculate the interest rate subsidy incorporated in the advance; or     (B) Continue to maintain the advance outstanding, subject to the Bank resetting the interest rate on that portion of the advance used to make the loan or loans to the project to a rate equal to the cost of funds originally used by the Bank to calculate the interest rate subsidy incorporated in the advance.     (b) Agreements between Banks and project sponsors or project owners.--(1) A Bank may have in place an agreement with each project sponsor or project owner, in which the project sponsor or project owner agrees to repay AHP subsidies directly to the Bank in accordance with the requirements of Sec.  1291.60     (2) Project sponsor qualifications. A Bank's AHP subsidy application form or other related document must include project sponsor qualification criteria that evaluate the ability of the project sponsor (including all affiliates and team members such as the general contractor) to perform the responsibilities committed to in the application. The application form or other related document shall include a requirement for the project sponsor to provide certifications or respond to specific questions about whether the project sponsor (and affiliates and team members such as the general contractor) have engaged in misconduct as defined in FHFA's Suspended Counterparty ***Program*** regulation (12 CFR part 1227), or as defined by the Bank. A Bank's AHP subsidy disbursement form or other related form shall include a requirement for similar certifications or questions for the project sponsor to complete prior to each disbursement of AHP subsidy.     (c) Application to existing AHP projects and units. The requirements of section 10(j) of the Bank Act (12 U.S.C 1430(j)) and the provisions of this part, as amended, are incorporated into all agreements between Banks, members, project sponsors, and project owners receiving AHP subsidies under the General Fund and any Bank Targeted Funds, and between Banks, members and unit owners under any Bank Homeownership Set-Aside ***Programs***. To the extent the requirements of this part are amended from time to time, such agreements are deemed to incorporate the amendments to conform to any new requirements of this part. No amendment to this part shall affect the legality of actions taken prior to the effective date of such amendment.

Sec.  1291.16   Conflicts of interest.

    (a) Bank directors and employees.--(1) Each Bank's board of directors shall adopt a written policy providing that if a Bank director or employee, or such person's family member, has a financial interest in, or is a director, officer, or employee of an organization involved in, a project that is the subject of a pending or approved AHP application, the Bank director or employee shall not participate in or attempt to influence decisions by the Bank regarding the evaluation, approval, funding, monitoring, or any remedial process for such project.     (2) If a Bank director or employee, or such person's family member, has a financial interest in, or is a director, officer, or employee of an organization involved in, an AHP project such that he or she is subject to the requirements in paragraph (a)(1) of this section, such person shall not participate in or attempt to influence decisions by the Bank regarding the evaluation, approval, funding, monitoring, or any remedial process for such project.

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    (b) Advisory Council members.--(1) Each Bank's board of directors shall adopt a written policy providing that if an Advisory Council member, or such person's family member, has a financial interest in, or is a director, officer, or employee of an organization involved in, a project that is the subject of a pending or approved AHP application, the Advisory Council member shall not participate in or attempt to influence decisions by the Bank regarding the approval for such project.     (2) If an Advisory Council member, or such person's family member, has a financial interest in, or is a director, officer, or employee of an organization involved in, an AHP project such that he or she is subject to the requirements in paragraph (b)(1) of this section, such person shall not participate in or attempt to influence decisions by the Bank regarding the approval for such project.     (c) No delegation. A Bank's board of directors shall not delegate to Bank officers or other Bank employees the responsibility to adopt the conflict of interest policies required by this section.

Subpart C--General Fund and Targeted Funds

Sec.  1291.20   Establishment of ***programs***.

    (a) General Fund. A Bank shall establish a General Fund pursuant to the requirements of this part.     (b) Targeted Funds.--(1) Number of Funds. A Bank may establish, in its discretion, a maximum of three Targeted Funds pursuant to the requirements of paragraph (b)(2) of this section, the phase-in funding allocation requirements in Sec.  1291.12(c)(1), and any other applicable requirements of this part. A Bank may not establish or administer a Targeted Fund unless at least 12 months have passed since the publication of the Targeted Community Lending Plan in which the Bank identifies the specific housing needs to be addressed by that Targeted Fund.     (2) Phase-in requirements for number of Funds. Unless otherwise directed by FHFA, a Bank may establish:     (i) One Targeted Fund;     (ii) Two Targeted Funds to be administered concurrently, provided that the Bank administered at least one Targeted Fund in any preceding ***year***; or     (iii) Three Targeted Funds to be administered concurrently, provided that the Bank administered at least two Targeted Funds in any preceding ***year***.     (c) Eligibility requirements.--(1) A Bank shall adopt and implement controls, which shall be included in its AHP Implementation Plan, for ensuring that each Targeted Fund is designed to receive sufficient numbers of applicants for the amount of AHP funds allocated to the Targeted Fund to enable the Bank to facilitate a genuinely competitive scoring process.     (2) A Bank may not adopt additional eligibility requirements for its General Fund and any Targeted Funds except as specifically authorized in this part.

Sec.  1291.21   Eligible applicants.

    (a) Member applicants. A Bank shall accept applications for AHP subsidy under its General Fund and any Bank Targeted Funds only from institutions that are members of the Bank at the time the application is submitted to the Bank.     (b) Project sponsor qualifications--(i) In general. A project sponsor, including all affiliates and team members such as the general contractor, must be qualified and able to perform its responsibilities as committed to in the application for AHP subsidy funding the project.     (ii) Revolving loan fund. Pursuant to written policies adopted by a Bank's board of directors, a revolving loan fund sponsor that intends to use AHP direct subsidy in accordance with Sec.  1291.29 shall:     (A) Provide audited financial statements that its operations are consistent with sound business practices; and     (B) Demonstrate the ability to re-lend AHP subsidy repayments on a timely basis and track the use of the AHP subsidy.     (iii) Loan pool. Pursuant to written policies adopted by a Bank's board of directors, a loan pool sponsor that intends to use AHP subsidy in accordance with Sec.  1291.30 shall:     (A) Provide evidence of sound asset/liability management practices;     (B) Provide audited financial statements that its operations are consistent with sound business practices; and     (C) Demonstrate the ability to track the use of the AHP subsidy.

Sec.  1291.22   Funding periods; application process.

    (a) Funding periods. A Bank may accept applications for AHP subsidy under its General Fund and any Bank Targeted Funds during a specified number of funding periods each ***year***, as determined by the Bank.     (b) Submission of applications. Except as provided in Sec.   1291.29(a), a Bank shall require applications for AHP subsidy to contain information sufficient for the Bank to:     (1) Determine that the proposed AHP project meets the eligibility requirements of this part; and     (2) Evaluate the application pursuant to the scoring methodology adopted by the Bank pursuant to Sec.  1291.25     (c) Review of applications submitted. Except as provided in Sec.   1291.29(b), a Bank shall review the applications for AHP subsidy to determine that the proposed AHP project meets the eligibility requirements of this part, and shall evaluate the applications pursuant to the Bank's scoring methodology adopted pursuant to Sec.  1291.25

Sec.  1291.23  Eligible projects.

    Projects receiving AHP subsidies pursuant to a Bank's General Fund and any Bank Targeted Funds must meet the following eligibility requirements:     (a) Owner-occupied or rental housing. The AHP subsidy shall be used exclusively for:     (1) Owner-occupied housing. The purchase, construction, or rehabilitation of an owner-occupied project by or for very low-income or low- or moderate-income households, where the housing is to be used as the household's primary residence. A household must have an income meeting the income targeting commitments in the approved AHP application at the time it is qualified by the project sponsor for participation in the project;     (2) Rental housing. The purchase, construction, or rehabilitation of a rental project, where at least 20 percent of the units in the project are occupied by and affordable for very low-income households.     (i) Projects that are not occupied. For a rental project that is not occupied at the time the AHP application is submitted to the Bank for approval, a household must have an income meeting the income targeting commitments in the approved AHP application upon initial occupancy of the rental unit.     (ii) Projects that are occupied. For a rental project involving purchase or rehabilitation that is occupied at the time the AHP application is submitted to the Bank for approval, a household must have an income meeting the income targeting commitments in the approved AHP application at the time of such submission. If the project has a plan approved by one of its primary funders to relocate the households not meeting the income targeting commitments, a household must have an income meeting the income targeting commitments upon initial occupancy of the rental unit.     (b) Project feasibility--(1) Developmental feasibility. The project must be likely to be completed and occupied, based on relevant factors contained in the Bank's project

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feasibility guidelines, including, but not limited to, the development budget, market analysis, and project sponsor's experience in providing the requested assistance to households.     (2) Operational feasibility of rental projects. A rental project must be able to operate in a financially sound manner, in accordance with the Bank's project feasibility guidelines, as projected in the project's operating pro forma.     (c) Timing of AHP subsidy use. Some or all of the AHP subsidy must be likely to be drawn down by the project or used by the project to procure other financing commitments within 12 months of the date of approval of the application for AHP subsidy funding the project.     (d) Retention agreements for rental projects. AHP-assisted rental projects are, or are committed to be, subject to a 15-***year*** retention agreement as described in Sec.  1291.15(a)(7).     (e) Fair housing. The project, as proposed, must comply with applicable federal and state laws on fair housing and housing accessibility, including, but not limited to, the Fair Housing Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the Architectural Barriers Act of 1969, and must demonstrate how the project will be affirmatively marketed.

Sec.  1291.24   Eligible uses.

    (a) Eligible uses of AHP subsidy. AHP subsidies shall be used only for:     (1) Owner-occupied housing. The purchase, construction, or rehabilitation of owner-occupied housing.     (2) Rental housing. The purchase, construction, or rehabilitation of rental housing.     (3) Need for AHP subsidy--(i) Review of project development budget and operating pro forma--(A) In the case of an owner-occupied project, a Bank shall review the project's development budget in determining its need for AHP subsidy. The project's estimated sources of funds must equal its estimated uses of funds, as reflected in the project's development budget. The difference between the project's sources of funds and uses of funds is the project's need for AHP subsidy, which is the maximum amount of AHP subsidy the project may receive.     (B) In the case of a rental project, a Bank shall review both the project's development budget and operating pro forma in determining its need for AHP subsidy. Where the project's uses of funds exceed its sources of funds, the difference demonstrates a funding gap and provides support for the project's need for AHP subsidy, provided that the project's cash flow and costs are reasonable. This is the maximum amount of AHP subsidy that the project may receive.     (C) A Bank, in its discretion, may permit a project's sources of funds to include or exclude the estimated market value of in-kind donations and voluntary professional labor or services (excluding the value of sweat equity), provided that the project's uses of funds also include or exclude, respectively, the value of such estimates.     (ii) Cash sources of funds. A project's cash sources of funds shall include any cash contributions by the sponsor, any cash from sources other than the sponsor, and estimates of funds the project sponsor intends to obtain from other sources but which have not yet been committed to the project. In the case of homeownership projects where the sponsor extends permanent financing to the homebuyer, the sponsor's cash contribution shall include the present value of any ***payments*** the sponsor is to receive from the buyer, which shall include any cash down ***payment*** from the buyer, plus the present value of any purchase note the sponsor holds on the unit. If the note carries a market interest rate commensurate with the credit quality of the buyer, the present value of the note equals the face value of the note. If the note carries an interest rate below the market rate, the present value of the note shall be determined using the market rate to discount the cash flows.     (iii) Cash uses. A project's cash uses are the actual outlay of cash needed to pay for materials, labor, and acquisition or other costs of completing the project. Cash costs do not include in-kind donations, voluntary professional labor or services, or sweat equity.     (4) Project costs.--(i) In general.--(A) Taking into consideration the geographic location of the project, development conditions, and other non-financial household or project characteristics, a Bank shall determine that a project's costs, as reflected in the project's development budget, are reasonable, in accordance with the Bank's project cost guidelines.     (B) For purposes of determining the reasonableness of a developer's fee for a project as a percentage of total development costs, a Bank may, in its discretion, include estimates of the market value of in- kind donations and volunteer professional labor or services (excluding the value of sweat equity) committed to the project as part of the total development costs.     (ii) Cost of property and services provided by a member. The purchase price of property or services, as reflected in the project's development budget, sold to the project by a member providing AHP subsidy to the project, or, in the case of property, upon which such member holds a mortgage or lien, may not exceed the market value of such property or services as of the date the purchase price was agreed upon. In the case of real estate owned property sold to a project by a member providing AHP subsidy to the project, or property sold to the project upon which the member holds a mortgage or lien, the market value of such property is deemed to be the ``as-is'' or ``as- rehabilitated'' value of the property, whichever is appropriate. That value shall be reflected in an independent appraisal of the property performed by a state certified or licensed appraiser, as defined in 12 CFR 564.2(j) and (k), within 6 months prior to the date the Bank disburses AHP subsidy to the project.     (5) Financing costs. The rate of interest, points, fees, and any other charges for all loans that are made for the project in conjunction with the AHP subsidy shall not exceed a reasonable market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk.     (6) Counseling costs. Counseling costs, provided:     (i) Such costs are incurred in connection with counseling of homebuyers who actually purchase an AHP-assisted unit; and     (ii) The cost of the counseling has not been covered by another funding source, including the member.     (7) Refinancing. Refinancing of an existing single-family or multifamily mortgage loan, provided that the refinancing produces equity proceeds and such equity proceeds up to the amount of the AHP subsidy in the project shall be used only for the purchase, construction, or rehabilitation of housing units meeting the eligibility requirements of this part.     (8) Calculation of AHP subsidy.--(i) Where an AHP direct subsidy is provided to a project to write down the interest rate on a loan extended by a member, sponsor, or other party to a project, the net present value of the interest foregone from making the loan below the lender's market interest rate shall be calculated as of the date the application for AHP subsidy is submitted to the Bank, and subject to adjustment under Sec.  1291.28(d).     (ii) Where an AHP subsidized advance is provided to a project, the net present value of the interest revenue foregone from making a subsidized advance at a rate below the Bank's cost of funds shall be determined as of the earlier of the date of disbursement of the

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subsidized advance or the date prior to disbursement on which the Bank first manages the funding to support the subsidized advance through its asset/liability management system, or otherwise.     (b) Prohibited uses of AHP subsidy. AHP subsidy may not be used to pay for:     (1) Certain prepayment fees. Prepayment fees imposed by a Bank on a member for a subsidized advance that is prepaid, unless:     (i) The project is in financial distress that cannot be remedied through a project modification pursuant to Sec.  1291.27;     (ii) The prepayment of the subsidized advance is necessary to retain the project's affordability and income targeting commitments;     (iii) Subsequent to such prepayment, the project will continue to comply with the terms of the approved AHP application and the requirements of this part for the duration of the original retention period;     (iv) Any unused AHP subsidy is returned to the Bank and made available for other AHP projects; and     (v) The amount of AHP subsidy used for the prepayment fee may not exceed the amount of the member's prepayment fee to the Bank;     (2) Cancellation fees. Cancellation fees and penalties imposed by a Bank on a member for a subsidized advance commitment that is canceled;     (3) Processing fees. Processing fees charged by members for providing AHP direct subsidies to a project; or     (4) Reserves and certain expenses. Capitalized reserves, periodic deposits to reserve accounts, operating expenses, or supportive services expenses.     (c) Optional Bank district eligibility requirements. A Bank may require a project receiving AHP subsidies to meet one or more of the following additional eligibility requirements adopted by the Bank's board of directors and included in its AHP Implementation Plan after consultation with its Advisory Council:     (1) AHP subsidy limits. A requirement that the amount of AHP subsidy requested for the project does not exceed limits established by the Bank as to the maximum amount of AHP subsidy available per member, per project sponsor, per project, or per project unit in a single AHP funding period. A Bank may establish only one maximum subsidy limit per member, per sponsor, per project, or per project unit for the General Fund and for each Targeted Fund, which shall apply to all applicants to the specific Fund, but the maximum subsidy limit per project or per project unit may differ for each Fund; or     (2) Homebuyer or homeowner counseling. A requirement that a household must complete a homebuyer or homeowner counseling ***program*** provided by, or based on one provided by, an organization recognized as experienced in homebuyer or homeowner counseling, respectively.     (d) Applications to multiple Funds. If an application for the same project is submitted to multiple Funds in an AHP funding period, each application must be for the same amount of AHP subsidy.

Sec.  1291.25   Scoring methodology.

    (a) Scoring methodology. A Bank shall establish a written scoring methodology for its General Fund and each Targeted Fund it establishes, and shall score applications received for a particular Fund pursuant to the scoring methodology for that Fund. The scoring methodology may be different for each Fund. The scoring methodology shall set forth the Bank's competitive application scoring criteria, related definitions and point allocations, and shall reflect the affordable housing needs that the Bank identified in its Targeted Community Lending Plan would be addressed under its Funds. The Bank shall design its scoring methodology for the General Fund and each Targeted Fund to ensure that the Bank will meet the outcome requirements for the statutory and regulatory priorities in Sec.  1291.48 The scoring methodology may include scoring criteria adopted by the Bank to address specific affordable housing needs in the Bank's district (Bank district priorities) that differ from the housing needs specified under the statutory and regulatory priorities in Sec.  1291.48, as long as the outcome requirements specified in Sec.  1291.48 are achieved.     (b) Point allocations. A Bank shall allocate 100 points among its scoring criteria for its General Fund and for each Targeted Fund.     (c) In-district projects. If a Bank adopts a scoring criterion under its General Fund for housing located in the Bank's district, the Bank shall not allocate points to the scoring criterion in such a way as to exclude all out-of-district projects from its General Fund.     (d) Scoring tie-breaker policy. A Bank shall establish a scoring tie-breaker policy to address the possibility of two or more applications to a Fund having identical scores in the same AHP funding period and there is insufficient AHP subsidy to approve all of the tied applications. A Bank shall meet the following requirements in establishing its scoring tie-breaker policy:     (1) The Bank shall consult with its Advisory Council prior to adoption of its policy;     (2) The Bank shall adopt the policy in advance of an AHP funding period and include it in its AHP Implementation Plan;     (3) The policy shall include the methodology used to break a scoring tie, which may differ for each Fund, and which shall be drawn from the particular Fund's scoring criteria adopted in the Bank's AHP Implementation Plan;     (4) The scoring tie-breaker methodology shall be reasonable, transparent, verifiable, and impartial;     (5) The scoring tie-breaker methodology shall be used solely to break a scoring tie and may not affect the eligibility of the applications, including financial feasibility, or their scores and resultant rankings;     (6) The Bank shall approve a tied application as an alternate pursuant to Sec.  1291.26(c) if the application does not prevail under the scoring tie-breaker methodology, or if the application is tied with another application but requested more subsidy than the amount of AHP funds that remain to be awarded; and     (7) The Bank shall document in writing its analysis and results for each use of the scoring tie-breaker methodology.

Sec.  1291.26   Approval of AHP applications.

    (a) Approval of applications. Except as provided in paragraphs (c), (d), and (e) of this section, a Bank's board of directors shall approve applications for AHP subsidy under its General Fund and any Bank Targeted Funds that meet all of the applicable AHP eligibility requirements in this part, in descending order starting with the highest scoring application until the total funding amount for the particular AHP funding period, except for any amount insufficient to fund the next highest scoring application, has been approved.     (b) Alternates. For the General Fund, the Bank's board of directors also shall approve at least the next four highest scoring applications as alternates and, within one ***year*** of approval, must approve such alternates for funding if any previously committed AHP subsidies become available. For any Bank Targeted Funds, the Bank may, in its discretion, approve alternates.     (c) Tied applications. Where two or more applications to a Fund have identical scores in the same AHP funding period and there is insufficient AHP subsidy to approve all of the tied

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applications, a Bank shall approve the tied application that prevails under the Bank's scoring tie-breaker methodology in its policy adopted pursuant to Sec.  1291.25(d). The Bank must approve a tied application as an alternate if it does not prevail under the scoring tie-breaker methodology, or if it is tied with another application but requested more subsidy than the amount of AHP funds that remain to be awarded under the Fund.     (d) Applications to multiple Funds. If an application for the same project is submitted to more than one Fund at a Bank in an AHP funding period and the application scores high enough to be approved under each Fund, the Bank shall approve the application under only one of the Funds pursuant to the Bank's policy established in its AHP Implementation Plan.     (e) Re-ranking of scored applications and alternates. To satisfy the outcome requirements of Sec.  1291.48, a Bank may deviate from the ranking order after scoring applications and alternates under this section, but only to the minimum extent necessary by re-ranking scored applications and alternates meeting the outcome requirements above the lowest scoring applications and alternates not meeting the outcome requirements. A Bank shall describe the possibility of re-ranking in its AHP Implementation Plan.     (f) No delegation. A Bank's board of directors may not delegate to a committee of the board, Bank officers, or other Bank employees the responsibility to approve or disapprove the AHP subsidy applications and alternates under the Bank's General Fund and any Bank Targeted Funds.

Sec.  1291.27   Modifications of approved AHP applications.

    (a) Modification procedure. Except as provided in paragraph (b) of this section for modification requests for AHP subsidy increases, if, prior to or after final disbursement of funds to a project from all funding sources, in order to remedy noncompliance or receive additional subsidy, there is or will be a change in the project that would change the score that the project application received in the funding period in which it was originally scored and approved, had the changed facts been operative at that time, a Bank shall approve in writing a request for a modification to the terms of the approved application, provided that:     (1) The Bank first requested that the project cure any noncompliance and the cure was not successful after a reasonable period of time;     (2) The project, incorporating any such changes, would meet the eligibility requirements of this part;     (3) The application, as reflective of such changes, continues to score as high as the lowest ranking alternate that was approved for funding by the Bank in the AHP funding period in which the application was originally scored and approved by the Bank; and     (4) There is good cause for the modification, which may not be solely remediation of noncompliance, and the analysis and justification for the modification are documented by the Bank in writing.     (b) AHP subsidy increases; no delegation.--(1) AHP subsidy increases. A Bank's board of directors may, in its discretion, approve or disapprove requests for modifications involving an increase in AHP subsidy in accordance with the requirements of paragraph (a) of this section.     (2) No delegation. The authority to approve or disapprove requests for modifications involving an increase in AHP subsidy shall not be delegated by the Bank's board of directors to Bank officers or other Bank employees.

Sec.  1291.28   Procedures for funding.

    (a) Disbursement of AHP subsidies to members.--(1) A Bank may disburse AHP subsidies only to institutions that are members of the Bank at the time they request a draw-down of the subsidies.     (2) If an institution with an approved application for AHP subsidy loses its membership in a Bank, the Bank may disburse AHP subsidies to a member of such Bank to which the institution has ***transferred*** its obligations under the approved AHP application, or the Bank may disburse AHP subsidies through another Bank to a member of that Bank that has assumed the institution's obligations under the approved AHP application.     (b) Progress towards use of AHP subsidy. A Bank shall establish and implement policies, including time limits, for determining whether progress is being made towards draw-down and use of AHP subsidies by approved projects, and whether to cancel AHP application approvals for lack of such progress. If a Bank cancels any AHP application approvals due to lack of such progress, the Bank shall make the AHP subsidies available for other AHP-eligible projects.     (c) Compliance upon disbursement of AHP subsidies. A Bank shall establish and implement policies for determining, prior to its initial disbursement of AHP subsidies for an approved project, and prior to each subsequent disbursement if the need for AHP subsidy has changed, that the project meets the eligibility requirements of this part and all obligations committed to in the approved AHP application. If a Bank cancels any AHP application approvals due to noncompliance with eligibility requirements of this part, the Bank shall make the AHP subsidies available for other AHP-eligible projects.     (d) Changes in approved AHP subsidy amount where a direct subsidy is used to write down prior to closing the principal amount or interest rate on a loan. If a member is approved to receive AHP direct subsidy to write down prior to closing the principal amount or the interest rate on a loan to a project, and the amount of AHP subsidy required to maintain the debt service cost for the loan decreases from the amount of AHP subsidy initially approved by the Bank due to a decrease in market interest rates between the time of approval and the time the lender commits to the interest rate to finance the project, the Bank shall reduce the AHP subsidy amount accordingly. If market interest rates rise between the time of approval and the time the lender commits to the interest rate to finance the project, the Bank, in its discretion, may increase the AHP subsidy amount accordingly.     (e) AHP outlay adjustment. If a Bank reduces the amount of AHP subsidy approved for a project, the amount of such reduction shall be returned to the Bank's AHP fund. If a Bank increases the amount of AHP subsidy approved for a project, the amount of such increase shall be drawn first from any currently uncommitted or repaid AHP subsidies and then from the Bank's required AHP contribution for the next ***year***.

Sec.  1291.29  Lending and re-lending of AHP direct subsidy by revolving loan funds.

    Pursuant to written policies established by a Bank's board of directors after consultation with its Advisory Council, a Bank, in its discretion, may provide AHP direct subsidy under its General Fund or any Bank Targeted Funds for eligible projects and households involving both the lending of the subsidy and subsequent lending of subsidy principal and interest repayments by a revolving loan fund, provided the following requirements are met:     (a) Submission of application.--(1) An application for AHP subsidy under this section shall include the revolving loan fund's criteria for the initial lending of the subsidy, identification of and information on a specific proposed AHP project if required in the Bank's discretion, the revolving loan fund's

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criteria for subsequent lending of subsidy principal and interest repayments, and any other information required by the Bank.     (2) The information in the application shall be sufficient for the Bank to:     (i) Determine that the criteria for the initial lending of the subsidy, the specific proposed project if applicable, and the criteria for subsequent lending of subsidy principal and interest repayments, meet the eligibility requirements of Sec.  1291.23; and     (ii) Evaluate the criteria for the initial lending of the subsidy, and the specific proposed project if applicable, pursuant to the scoring methodology established by the Bank pursuant to Sec.   1291.25(a).     (b) Review of application. A Bank shall review the application for AHP subsidy to determine that the criteria for the initial lending of the subsidy, the specific proposed project if applicable, and the criteria for subsequent lending of subsidy principal and interest repayments, meet the eligibility requirements of Sec.  1291.23, and shall evaluate the criteria for the initial lending of the subsidy and the specific proposed project, if applicable, pursuant to the scoring methodology established by the Bank pursuant to Sec.  1291.25(a).     (c) Initial lending of subsidy.--(1) The revolving loan fund's initial lending of the AHP subsidy shall meet the eligibility requirements of paragraph (a) of this section, shall be to projects or households meeting the commitments in the approved application for AHP subsidy, and shall be subject to the requirements in Sec. Sec.  1291.15 and 1291.50, respectively.     (2) If a project funded under this paragraph (c) is in noncompliance with the commitments in the approved AHP application, or is sold or refinanced prior to the end of the applicable AHP retention period, the required amount of AHP subsidy shall be repaid to the revolving loan fund in accordance with Sec. Sec.  1291.15(a)(8) and 1291.60, and the revolving loan fund shall re-lend such repaid subsidy, excluding the amounts of AHP subsidy principal already repaid to the revolving loan fund, to another project meeting the initial lending requirements of this paragraph (c) for the remainder of the retention period.     (d) Subsequent lending of AHP subsidy principal and interest repayments--(1) AHP subsidy principal and interest repayments received by the revolving loan fund from the initial lending of the AHP direct subsidy shall be re-lent by the revolving loan fund in accordance with the requirements of this paragraph (d), except that the revolving loan fund, in its discretion, may provide part or all of such repayments as nonrepayable grants to eligible projects in accordance with the requirements of this paragraph (d).     (2) The revolving loan fund's subsequent lending of AHP subsidy principal and interest repayments shall be for the purchase, construction, or rehabilitation of owner-occupied projects for households with incomes at or below 80 percent of the median income for the area, or of rental projects where at least 20 percent of the units are occupied by and affordable for households with incomes at or below 50 percent of the median income for the area, and shall meet all other eligibility requirements of this paragraph (d).     (3) A Bank may, in its discretion, require the revolving loan fund's subsequent lending of subsidy principal and interest repayments to be subject to retention period, monitoring, and recapture requirements for rental projects, as defined by the Bank in its AHP Implementation Plan.     (e) Return of unused AHP subsidy. The revolving loan fund shall return to the Bank any AHP subsidy that will not be used according to the requirements in this section.

Sec.  1291.30  Use of AHP subsidy in loan pools.

    Pursuant to written policies established by a Bank's board of directors after consultation with its Advisory Council, a Bank, in its discretion, may provide AHP subsidy under its General Fund or any Bank Targeted Funds for the origination of first mortgage or rehabilitation loans with subsidized interest rates to AHP-eligible households through a purchase commitment by an entity that will purchase and pool the loans, provided the following requirements are met:     (a) Eligibility requirements. The loan pool sponsor's use of the AHP subsidies shall meet the requirements under this section, and shall not be used for the purpose of providing liquidity to the originator or holder of the loans, or paying the loan pool's operating or secondary market transaction costs.     (b) Forward commitment--(1) The loan pool sponsor shall purchase the loans pursuant to a forward commitment that identifies the loans to be originated with interest-rate reductions as specified in the approved application for AHP subsidy to households with incomes at or below 80 percent of the median income for the area. Both initial purchases of loans for the AHP loan pool and subsequent purchases of loans to substitute for repaid loans in the pool shall be made pursuant to the terms of such forward commitment and subject to time limits on the use of the AHP subsidy as specified by the Bank in its AHP Implementation Plan and the Bank's agreement with the loan pool sponsor, which shall not exceed 1 ***year*** from the date of approval of the AHP application.     (2) As an alternative to using a forward commitment, the loan pool sponsor may purchase an initial round of loans that were not originated pursuant to an AHP-specific forward commitment, provided that the entities from which the loans were purchased are required to use the proceeds from the initial loan purchases within time limits on the use of the AHP subsidy as specified by the Bank in its AHP Implementation Plan and the Bank's agreement with the loan pool sponsor, which shall not exceed 1 ***year*** from the date of approval of the AHP application. The proceeds shall be used by such entities to assist households that are income-eligible under the approved AHP application during subsequent rounds of lending, and such assistance shall be provided in the form of a below-market AHP-subsidized interest rate as specified in the approved AHP application.     (c) Each AHP-assisted rental project receiving AHP direct subsidy or a subsidized advance shall be subject to the requirements of Sec. Sec.  1291.15, 1291.50(a), and 1291.60, respectively.     (d) Where AHP direct subsidy is being used to buy down the interest rate of a loan or loans from a member or other party, the loan pool sponsor shall use the full amount of the AHP direct subsidy to buy down the interest rate on a permanent basis at the time of closing on such loan or loans.

Subpart D--Homeownership Set-Aside ***Programs***

Sec.  1291.40  Establishment of ***programs***.

    A Bank may establish, in its discretion, one or more Homeownership Set-Aside ***Programs*** pursuant to the requirements of this part. The Bank's analyses supporting establishment of such ***programs*** shall be included in its Targeted Community Lending Plan, as provided in Sec.   1291.13(a).

Sec.  1291.41  Eligible applicants.

    A Bank shall accept applications for AHP direct subsidy under its Homeownership Set-Aside ***Programs*** only from institutions that are members of the Bank at the time the application is submitted to the Bank.

Sec.  1291.42   Eligibility requirements.

    A Bank's Homeownership Set-Aside ***Programs*** shall meet the eligibility requirements set forth in this section. A

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Bank may not adopt additional eligibility requirements for its Homeownership Set-Aside ***Programs*** except for eligible households pursuant to paragraph (b) of this section.     (a) Member allocation criteria. AHP direct subsidies shall be provided to members pursuant to allocation criteria established by the Bank in its AHP Implementation Plan.     (b) Eligible households. Members shall provide AHP direct subsidies only to households that:     (1) Have incomes at or below 80 percent of the median income for the area at the time the household is accepted for enrollment by the member in the Bank's Homeownership Set-Aside ***Program***, with such time of enrollment by the member defined by the Bank in its AHP Implementation Plan;     (2) Complete a homebuyer or homeowner counseling ***program*** provided by, or based on one provided by, an organization experienced in homebuyer or homeowner counseling, in the case of households that are first-time homebuyers; and     (3) Are first-time homebuyers or households receiving AHP subsidy for the purpose of owner-occupied rehabilitation, in the case of households receiving subsidy pursuant to the one-third set-aside funding allocation requirement in Sec.  1291.12(b), and meet such other eligibility criteria that may be established by the Bank in its AHP Implementation Plan, such as a matching funds requirement, homebuyer or homeowner counseling requirement for households that are not first-time homebuyers, or criteria that give priority for the purchase or rehabilitation of housing in particular areas or as part of a disaster relief effort.     (c) Maximum grant amount. Members shall provide AHP direct subsidies to households as a grant, in an amount up to a maximum established by the Bank, not to exceed $22,000 per household, which limit shall automatically adjust upward on an annual basis in accordance with increases in FHFA's Housing Price Index (HPI). In the event of a decrease in the HPI, the subsidy limit shall remain at its then-current level until the HPI increases above the subsidy limit, at which point the subsidy limit shall adjust to that higher level. FHFA will notify the Banks annually of the maximum subsidy amount, based on the HPI. A Bank may establish a different maximum grant amount for each Homeownership Set-Aside ***Program*** it establishes. A Bank's maximum grant amount for each such ***program*** shall be included in its AHP Implementation Plan, which limit shall apply to all households in the specific ***program*** for which it is established.     (d) Eligible uses of AHP direct subsidy. Households shall use the AHP direct subsidies to pay for down ***payment***, closing cost, counseling, or rehabilitation assistance in connection with the household's purchase or rehabilitation of an owner-occupied unit, including a condominium or cooperative housing unit or manufactured housing, to be used as the household's primary residence.     (e) Financial or other concessions. The Bank may, in its discretion, require members and other lenders to provide financial or other concessions, as defined by the Bank in its AHP Implementation Plan, to households in connection with providing the AHP direct subsidy or financing to the household.     (f) Financing costs. The rate of interest, points, fees, and any other charges for all loans made in conjunction with the AHP direct subsidy shall not exceed a reasonable market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk.     (g) Counseling costs. The AHP direct subsidies may be used to pay for counseling costs only where:     (1) Such costs are incurred in connection with counseling of homebuyers who actually purchase an AHP-assisted unit; and     (2) The cost of the counseling has not been covered by another funding source, including the member.     (h) Cash back to household. A member may provide cash back to a household at closing on the mortgage loan in an amount not exceeding $250, as determined by the Bank in its AHP Implementation Plan, and a member shall use any AHP direct subsidy exceeding such amount that is beyond what is needed at closing for closing costs and the approved mortgage amount as a credit to reduce the principal of the mortgage loan or as a credit toward the household's monthly ***payments*** on the mortgage loan.

Sec.  1291.43   Approval of AHP applications.

    A Bank shall approve applications for AHP direct subsidy in accordance with the Bank's criteria governing the allocation of funds.

Sec.  1291.44  Procedures for funding.

    (a) Disbursement of AHP direct subsidies to members--(1) A Bank may disburse AHP direct subsidies only to institutions that are members of the Bank at the time they request a draw-down of the subsidies.     (2) If an institution with an approved application for AHP direct subsidy loses its membership in a Bank, the Bank may disburse AHP direct subsidies to a member of such Bank to which the institution has ***transferred*** its obligations under the approved AHP application, or the Bank may disburse AHP direct subsidies through another Bank to a member of that Bank that has assumed the institution's obligations under the approved AHP application.     (b) Reservation of homeownership set-aside subsidies. A Bank shall establish and implement policies for reservation of homeownership set- aside subsidies for households enrolled in the Bank's Homeownership Set-Aside ***Program***. The policies shall provide that set-aside subsidies be reserved no more than two ***years*** in advance of the Bank's time limit in its AHP Implementation Plan for draw-down and use of the subsidies by the household and the reservation of subsidies be made from the set- aside allocation of the ***year*** in which the Bank makes the reservation.     (c) Progress towards use of AHP direct subsidy. A Bank shall establish and implement policies, including time limits, for determining whether progress is being made towards draw-down and use of the AHP direct subsidies by eligible households, and whether to cancel AHP application approvals for lack of such progress. If a Bank cancels any AHP application approvals due to lack of such progress, it shall make the AHP direct subsidies available for other applicants for AHP direct subsidies under the Homeownership Set-Aside ***Program*** or for other AHP-eligible projects.

Subpart E--Outcome Requirements for Statutory and Regulatory Priorities

Sec.  1291.48   Outcome requirements for statutory and regulatory priorities.

    (a) Statutory priorities--government properties; project sponsorship. Each ***year***, each Bank shall award at least 55 percent of the total AHP funds allocated, in the aggregate, to the Bank's General Fund and any Bank Targeted Funds to projects that meet paragraph (a)(1) or paragraph (a)(2) of this section. If an awarded project meets both paragraphs, it may be counted towards meeting only one of the paragraphs.     (1) Use of donated or conveyed government-owned or other properties. The financing of housing that uses a significant proportion, as defined by the Bank in its AHP Implementation Plan, of:     (i) Land or units donated or conveyed by the federal government or any agency or instrumentality thereof; or

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    (ii) Land or units donated or conveyed by any other party for an amount significantly below the fair market value of the property, as defined by the Bank in its AHP Implementation Plan.     (2) Sponsorship by a not-for-profit organization or government entity. Project sponsorship by a not-for-profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for Native Hawaiian Home Lands.     (b) Statutory priority--purchase of homes by low- or moderate- income households. Each ***year***, each Bank shall award at least 10 percent of its required annual AHP contribution to low- or moderate-income households, or to projects targeting such households, for the purchase by such households of homes under any or some combination of the Bank's General Fund, any Bank Targeted Funds, and any Bank Homeownership Set- Aside ***Programs***.     (c) Regulatory priority--very low-income targeting for rental units. Each ***year***, each Bank shall ensure that at least 55 percent of all rental units in rental projects receiving AHP awards under the Bank's General Fund and any Bank Targeted Funds are reserved for very low-income households.     (d) Regulatory priorities--Underserved Communities and Populations; Creating Economic Opportunity; and Affordable Housing Preservation. Each ***year***, each Bank shall ensure that at least 55 percent of the Bank's required annual AHP contribution is awarded under the Bank's General Fund and any Bank Targeted Funds to projects that, in the aggregate, meet at least two of the three regulatory priorities in this paragraph (d) (paragraphs (d)(1), (d)(2), and (d)(3)) by meeting one or more of the specified housing needs included under the regulatory priority, and awarding at least 10 percent of the funds to projects meeting each of such regulatory priorities. If an awarded project meets more than one of the regulatory priorities, it may be counted towards meeting only one of them. If an awarded project meets more than one specified housing need under a regulatory priority, it may be counted towards meeting only one of those housing needs. An award to a project may not be counted towards meeting a regulatory priority in this paragraph (d) unless the specified housing need that it meets is identified in the Bank's Targeted Community Lending Plan as an affordable housing need the Bank indicated it would address through its AHP scoring criteria.     (1) Regulatory priority--Underserved Communities and Populations. The financing of housing for underserved communities or populations, by addressing one or more of the following specific housing needs:     (i) Housing for homeless households. The financing of rental housing, excluding overnight shelters, reserving at least 50 percent of the units for homeless households, the creation of transitional housing for homeless households permitting a minimum of 6 months occupancy, or the creation of permanent owner-occupied housing reserving at least 50 percent of the units for homeless households, with the term ``homeless households'' as defined by the Bank in its AHP Implementation Plan.     (ii) Housing for special needs populations. The financing of housing in which at least 50 percent of the units are reserved for, and provide supportive services or access to supportive services for, households with specific special needs, such as: The elderly; persons with disabilities; formerly incarcerated persons; persons recovering from physical abuse or alcohol or drug abuse; victims of domestic violence, dating violence, sexual assault or stalking; persons with HIV/AIDS; or unaccompanied youth; or the financing of housing that is visitable by persons with physical disabilities who are not occupants of such housing.     (iii) Housing for other targeted populations. The financing of housing, not necessarily with supportive services, in which at least 50 percent of the units are reserved for populations specifically in need of housing, such as ***agricultural*** workers, military veterans, Native Americans, multigenerational households, persons with disabilities, or households requiring large units.     (iv) Rural housing. The financing of housing located in rural areas (with the term ``rural area'' as defined in 12 CFR 1282.1).     (v) Rental housing for extremely low-income households. The financing of rental projects in which at least 20 percent of the units are reserved for extremely low-income households.     (vi) Other. The financing of other housing addressing specific housing needs of underserved communities or populations as FHFA may provide by guidance.     (2) Regulatory priority--Creating Economic Opportunity. The financing of housing that facilitates economic opportunity for the residents by addressing one or more of the following specific housing needs:     (i) Promotion of empowerment. The provision of housing in combination with a ***program*** offering services that assist residents in attaining life skills or moving toward better economic opportunities, such as: Employment; education; training; homebuyer, homeownership or tenant counseling; child care; adult daycare services; afterschool care; tutoring; health services; resident involvement in decision making affecting the creation of operation of the project; or workforce preparation and integration.     (ii) Residential economic diversity. The financing of either affordable housing in a high opportunity area, or mixed-income housing in an area of concentrated poverty (as those terms are defined in 12 CFR 1282.1 and FHFA's Duty to Serve Evaluation Guidance).     (iii) Other. The financing of other housing that facilitates economic opportunity as FHFA may provide by guidance.     (3) Regulatory priority--Affordable Housing Preservation. The financing of affordable rental housing preservation or homeownership preservation, by addressing one or more of the following specific housing needs:     (i) Affordable rental housing preservation. Providing financing that preserves affordable rental housing such as existing housing in need of rehabilitation as indicated by deteriorating physical condition, high vacancy rates, or poor financial performance, affordable rental housing with energy or water efficiency improvements (meeting the requirements of 12 CFR 1282.34(d)(2)), and affordable housing under the following ***programs***: Section 8 (42 U.S.C 1437f), Section 236 (12 U.S.C 1715z-1), Section 221(d)(4) (12 U.S.C 1715l), Section 202 (12 U.S.C 1701q), Section 811 (42 U.S.C 8013), McKinney- Vento Homeless Assistance (42 U.S.C 11361 et seq.), Section 515 (42 U.S.C 1485), Low-Income Housing Tax Credits (26 U.S.C 42), HUD Choice Neighborhoods Initiative (42 U.S.C 1437v); HUD Rental Assistance Demonstration ***program*** (42 U.S.C 1437f note), or other state or local affordable housing ***programs*** comparable to the foregoing housing ***programs***.     (ii) Affordable homeownership preservation. The financing of housing that preserves affordable homeownership, including owner- occupied rehabilitation, shared equity ***programs***, owner-occupied housing with energy or water efficiency improvements (meeting the requirements of 12 CFR 1282.34(d)(3)), or other housing finance strategies to preserve homeownership.     (iii) Other. The financing of other mechanisms for affordable rental

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housing preservation or affordable homeownership preservation as FHFA may provide by guidance.     (e) Annual report. Each Bank shall submit an annual report to FHFA, at a time and in a form designated by FHFA, demonstrating compliance with this section.

Sec.  1291.49   Determination of compliance with outcome requirements; notice of determination.

    (a) Determination of compliance. On an annual basis, the Director shall determine each Bank's compliance with the outcome requirements in Sec.  1291.48     (b) Noncompliance with outcome requirements. If the Director preliminarily determines that a Bank has failed to comply with Sec.   1291.48, the Director shall notify the Bank in writing of such preliminary determination. Any notification to a Bank of such preliminary determination shall provide the Bank with an opportunity to respond in writing in accordance with the following procedures:     (1) Notice. The Director shall provide written notice to the Bank of the preliminary determination, the reasons for such determination, and the information on which the Director based the determination.     (2) Response period--(i) In general. During the 30-day period beginning on the date on which notice is provided under paragraph (b)(1) of this section, the Bank may submit to the Director any written information that the Bank considers appropriate for consideration by the Director in finally determining whether such noncompliance has occurred or whether compliance with Sec.  1291.48 was feasible.     (ii) Extended period. The Director may extend the period under paragraph (b)(2)(i) of this section for good cause for not more than 30 additional days.     (iii) Shortened period. The Director may shorten the period under paragraph (b)(2)(i) of this section for good cause.     (iv) Failure to respond. The failure of a Bank to provide information during the response period shall waive any right of the Bank to comment on the proposed determination or action of the Director.     (3) Consideration of information and final determination--(i) Considerations. In making a final determination under paragraph (b)(3)(ii) of this section, the Director shall take into consideration any relevant information submitted by the Bank during the response period.     (ii) Notice of final determination. After the expiration of the response period or receipt of information provided during such period by the Bank, the Director shall provide written notice to the Bank within a reasonable period of time of the final determination of:     (A) Whether the Bank has failed to comply with Sec.  1291.48; and     (B) Whether, taking into consideration market and economic conditions and the financial condition of the Bank, compliance with Sec.  1291.48 was feasible.

Subpart F--Monitoring

Sec.  1291.50  Monitoring under General Fund and Targeted Funds.

    (a) Initial monitoring policies for owner-occupied and rental projects. A Bank shall adopt written policies pursuant to which the Bank shall monitor each AHP owner-occupied project and rental project approved under its General Fund and any Bank Targeted Funds prior to, and within a reasonable period of time after, project completion to verify, at a minimum, satisfaction of the requirements in this section.     (1) Satisfactory progress. The Bank shall determine that:     (i) The project is making satisfactory progress towards completion, in compliance with the commitments made in the approved AHP application, Bank policies, and the requirements of this part; and     (ii) Following completion of the project, satisfactory progress is being made towards occupancy of the project by eligible households.     (2) Project sponsor or owner certification, rent roll and other documentation; backup and other project documentation. Within a reasonable period of time after project completion, the Bank shall review a certification from the project sponsor or owner, the project rent roll, and any other documentation to verify that the project meets the following requirements, at a minimum:     (i) The AHP subsidies were used for eligible purposes according to the commitments made in the approved AHP application;     (ii) The household incomes and rents comply with the income targeting and rent commitments made in the approved AHP application;     (iii) The project's actual costs were reasonable in accordance with the Bank's project cost guidelines, and the AHP subsidies were necessary for the completion of the project as currently structured, as determined pursuant to Sec.  1291.24(a)(4);     (iv) Each rental project is subject to an AHP retention agreement that meets the requirements of Sec.  1291.15(a)(7); and     (v) The services and activities committed in the approved AHP application have been provided in connection with the project.     (3) Back-up and other project documentation. The Bank's written monitoring policies shall include requirements for:     (i) Bank review within a reasonable period of time after project completion of back-up project documentation regarding household incomes and rents (not including the rent roll) maintained by the project sponsor or owner, except for projects that received funds from other federal, state or local government entities whose ***programs*** meet the requirements in paragraphs (b)(1) and (2) of this section as specified in separate FHFA guidance, or projects that have also been allocated federal Low-Income Housing Tax Credits; and     (ii) Maintenance and Bank review of other project documentation in the Bank's discretion.     (4) Sampling plan. The Bank shall not use a sampling plan to select the projects to be monitored under this paragraph (a), but may use a reasonable risk-based sampling plan to review the back-up project documentation.     (b) Long-term monitoring--reliance on other governmental monitoring for certain rental projects. For completed AHP rental projects that also received funds other than federal Low-Income Housing Tax Credits from federal, state, or local government entities, a Bank may, in its discretion, for purposes of long-term AHP monitoring under its General Fund and any Bank Targeted Funds, rely on the monitoring by such entities of the income targeting and rent requirements applicable under their ***programs***, provided that the Bank can show that:     (1) The compliance profiles regarding income targeting, rent, and retention period requirements of the AHP and the other ***programs*** are substantively equivalent;     (2) The entity has demonstrated and continues to demonstrate its ability to monitor the project;     (3) The entity agrees to provide reports to the Bank on the project's incomes and rents for the full 15-***year*** AHP retention period; and     (4) The Bank reviews the reports from the monitoring entity to confirm that they comply with the Bank's monitoring policies.     (c) Long-term monitoring policies for rental projects. In cases where a Bank does not rely on monitoring by a federal, state, or local government entity pursuant to paragraph (b) of this section, pursuant to written policies established by the Bank, the Bank shall monitor completed AHP rental projects approved under its General Fund and

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any Bank Targeted Funds, commencing in the second ***year*** after project completion through the AHP 15-***year*** retention period, to verify, at a minimum, satisfaction of the requirements in this section.     (1) Annual project sponsor or owner certifications; backup and other project documentation. A Bank's written monitoring policies shall include requirements for:     (i) Bank review of annual certifications by project sponsors or owners to the Bank that household incomes and rents are in compliance with the commitments made in the approved AHP application during the AHP 15-***year*** retention period, along with information on the ongoing financial viability of the project, including whether the project is current on its property taxes and loan ***payments***, its vacancy rate, and whether it is in compliance with its commitments to other funding sources;     (ii) Bank review of back-up project documentation regarding household incomes and rents, including the rent rolls, maintained by the project sponsor or owner, except for projects that also received funds from other federal, state or local government entities whose ***programs*** meet the requirements in paragraphs (b)(1) and (2) of this section as specified in separate FHFA guidance, or projects that have also been allocated federal Low-Income Housing Tax Credits (LIHTC), provided that the Bank shall review any notices received from project sponsors or owners pursuant to Sec.  1291.15(a)(5)(ii) that an AHP project is in noncompliance with LIHTC income-targeting or rent requirements during the AHP 15-***year*** retention period; and     (iii) Maintenance and Bank review of other project documentation in the Banks' discretion.     (2) Risk factors and other monitoring--(i) Risk factors; other monitoring. A Bank's written monitoring policies shall take into account risk factors such as the amount of AHP subsidy in the project, type of project, size of project, location of project, sponsor experience, and any monitoring of the project provided by a federal, state, or local government entity.     (ii) Risk-based sampling plan. A Bank may use a reasonable, risk- based sampling plan to select the rental projects to be monitored under this paragraph (c), and to review the back-up and any other project documentation. The risk-based sampling plan and its basis shall be in writing.     (d) Annual adjustment of targeting commitments. For purposes of determining compliance with the targeting commitments in an approved AHP application for both initial and long-term AHP monitoring purposes under a Bank's General Fund and any Bank Targeted Funds, such commitments shall be considered to adjust annually according to the current applicable median income data. A rental unit may continue to count toward meeting the targeting commitment of an approved AHP application as long as the rent charged to a household remains affordable, as defined in Sec.  1291.1, for the household occupying the unit.

Sec.  1291.51   Monitoring under Homeownership Set-Aside ***Programs***.

    (a) Adoption and implementation. Pursuant to written policies adopted by a Bank, the Bank shall monitor compliance with the requirements of its Homeownership Set-Aside ***Programs***, including monitoring to determine, at a minimum, whether:     (1) The AHP subsidy was provided to households meeting all applicable eligibility requirements in Sec.  1291.42(b) and the Bank's Homeownership Set-Aside ***Program*** policies; and     (2) All other applicable eligibility requirements in Sec.  1291.42 and the Bank's Homeownership Set-Aside ***Program*** policies are met.     (b) Member certifications; back-up and other documentation. The Bank's written monitoring policies shall include requirements for:     (1) Bank review of certifications by members to the Bank, prior to disbursement of the AHP subsidy, that the subsidy will be provided in compliance with all applicable eligibility requirements in Sec.   1291.42;     (2) Bank review of back-up documentation regarding household incomes maintained by the member; and     (3) Maintenance and Bank review of other documentation in the Bank's discretion.     (c) Sampling plan. The Bank may use a reasonable sampling plan to select the households to be monitored, and to review the back-up and any other documentation received by the Bank, but not the member certifications required in paragraph (b) of this section. The sampling plan and its basis shall be in writing.

Subpart G--Remedial Actions for Noncompliance

Sec.  1291.60   Remedial actions for project noncompliance.

    (a) Scope. This section applies to noncompliance of an AHP-assisted project with the commitments made in its application for AHP subsidies and the requirements of this part, including any use of AHP subsidy by the project sponsor or project owner for purposes other than those committed to in the AHP application. This section does not apply to individual AHP-assisted households or to the sale or refinancing by such households of their homes.     (b) Elimination of project noncompliance--(1) Cure. In the event of project noncompliance, the project sponsor or owner must cure the noncompliance within a reasonable period of time. If the noncompliance is cured within a reasonable period of time, no AHP subsidy is required to be repaid to the Bank by the project sponsor or owner.     (2) Project modification. If the project sponsor or project owner cannot cure the noncompliance within a reasonable period of time, the Bank shall determine whether the circumstances of the noncompliance can be eliminated through a modification of the terms of the AHP application pursuant to Sec.  1291.27 If the circumstances of the noncompliance can be eliminated through a modification, the Bank shall approve the modification and no AHP subsidy is required to be repaid to the Bank by the project sponsor or owner.     (c) Reasonable collection efforts--(1) Demand for repayment. If the circumstances of a project's noncompliance cannot be eliminated through a cure or modification, the Bank, or the member if delegated the responsibility, shall make a demand on the project sponsor or owner for repayment of the full amount of the AHP subsidy not used in compliance with the commitments in the AHP application or the requirements of this part (plus interest, if appropriate). If the noncompliance is occupancy by households with incomes exceeding the income-targeting commitments in the AHP application, the amount of AHP subsidy due is calculated based on the number of units in noncompliance, the length of the noncompliance, and the portion of the AHP subsidy attributable to the noncompliant units.     (2) Settlement--(i) If the demand for repayment of the full amount due is unsuccessful, the member, in consultation with the Bank, shall make reasonable efforts to collect the subsidy from the project sponsor or project owner, which may include settlement for less than the full amount due, taking into account factors such as the financial capacity of the project sponsor or project owner, assets securing the AHP subsidy, other assets of the project sponsor or project owner, the degree of culpability of the project sponsor or

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project owner, and the extent of the Bank's or member's collection efforts.     (ii) The settlement with the project sponsor or owner must be supported by sufficient documentation showing that the sum agreed to be repaid under the settlement is reasonably justified, based on the facts and circumstances of the noncompliance, including any factors in paragraph (c)(2)(i) of this section that were considered in reaching the settlement.

Sec.  1291.61   Recovery of subsidy for member noncompliance.

    If a member uses AHP subsidy for purposes other than those committed to in the AHP application or the requirements of this part, the Bank shall recover from the member the amount of subsidy used for such impermissible purposes.

Sec.  1291.62   Bank reimbursement of AHP fund.

    (a) By the Bank. A Bank shall reimburse its AHP fund in the amount of any AHP subsidies (plus interest, if appropriate) not used in compliance with the commitments in an AHP application or the requirements of this part as a result of the actions or omissions of the Bank.     (b) By FHFA order. FHFA may order a Bank to reimburse its AHP fund in an appropriate amount upon determining that:     (1) The Bank has failed to reimburse its AHP fund as required under paragraph (a) of this section; or     (2) The Bank has failed to recover the full amount of AHP subsidy due from a project sponsor, project owner or member pursuant to the requirements of Sec. Sec.  1291.60 and 1291.61, and has not shown that such failure is reasonably justified, considering factors such as those in Sec.  1291.60(c)(2)(i).

Sec.  1291.63   Suspension and debarment.

    (a) At a Bank's initiative. A Bank may suspend or debar a member, project sponsor, or project owner from participation in the ***Program*** if such party shows a pattern of noncompliance, or engages in a single instance of flagrant noncompliance, with the terms of an approved application for AHP subsidy or the requirements of this part.     (b) At FHFA's initiative. FHFA may order a Bank to suspend or debar a member, project sponsor, or project owner from participation in the ***Program*** if such party shows a pattern of noncompliance, or engages in a single instance of flagrant noncompliance, with the terms of an approved application for AHP subsidy or the requirements of this part.

Sec.  1291.64  Use of repaid AHP subsidies for other AHP-eligible projects and households.

    Amounts of AHP subsidy, including any interest, repaid to a Bank pursuant to this part shall be made available by the Bank for other AHP-eligible projects or households.

Sec.  1291.65  Remedial actions for Bank noncompliance with outcome requirements.

    If the Director determines, pursuant to Sec.  1291.49, that a Bank has failed to comply with an outcome requirement in Sec.  1291.48 and that compliance was feasible, the Director may require the Bank to take actions to remedy the noncompliance, which may include, but are not limited to, the following actions:     (a) Housing plan. The Director may require the Bank to submit a housing plan for approval by the Director.     (1) Nature of plan. If the Director requires a housing plan, the housing plan shall:     (i) Be feasible;     (ii) Be sufficiently specific to enable the Director to monitor compliance periodically;     (iii) Describe the specific actions that the Bank will take to comply with Sec.  1291.48 for the next ***calendar*** ***year***; and     (iv) Address any additional matters relevant to the plan as required, in writing, by the Director.     (2) Deadline for submission. The Bank shall submit the housing plan to the Director within 45 days after issuance of a notice requiring the Bank to submit a housing plan under this section. The Director may extend the deadline for submission of a plan, in writing and for a time certain, to the extent the Director determines an extension is necessary.     (3) Review of housing plan. The Director shall review and approve or disapprove a housing plan under this section as follows:     (i) Approval. The Director shall review each submission by a Bank, including a housing plan submitted under this section and approve or disapprove the plan or other action within a reasonable time. The Director shall approve any plan that the Director determines is likely to succeed and conforms with the Bank Act, this part, and any other applicable provision of law.     (ii) Notice of approval and disapproval. The Director shall provide written notice to a Bank submitting a housing plan under this section of the approval or disapproval of the plan, which shall include the reasons for any disapproval of the plan, and of any extension of the period for approval or disapproval.     (iii) Resubmission. If the Director disapproves an initial housing plan submitted by a Bank under this section, the Bank shall submit an amended plan acceptable to the Director not later than 30 days after the Director's disapproval of the initial plan. The Director may extend the deadline if the Director determines an extension is in the public interest. If the amended plan is not acceptable to the Director, the Director may afford the Bank 15 days to submit a new plan.     (b) Reimbursement of AHP fund. FHFA may order the Bank to reimburse its AHP fund for the difference in the amount of AHP funds required to be awarded to meet the outcome requirement and the amount the Bank actually awarded.

Sec.  1291.66  ***Transfer*** of ***Program*** administration.

    Without limitation on other remedies, FHFA, upon determining that a Bank has engaged in mismanagement of its ***Program***, may designate another Bank to administer all or a portion of the first Bank's annual AHP contribution, for the benefit of the first Bank's members, under such terms and conditions as FHFA may prescribe.

Subpart H--Affordable Housing Reserve Fund

Sec.  1291.70   Affordable Housing Reserve Fund.

    (a) Deposits. If a Bank fails to use or commit the full amount it is required to contribute to the ***Program*** in any ***year*** pursuant to Sec.   1291.10(a), 90 percent of the unused or uncommitted amount shall be deposited by the Bank in an Affordable Housing Reserve Fund established and administered by FHFA. The remaining 10 percent of the unused and uncommitted amount retained by the Bank should be fully used or committed by the Bank during the following ***year***, and any remaining portion shall be deposited in the Affordable Housing Reserve Fund.     (b) Use or commitment of AHP funds. Approval of applications for AHP funds from members sufficient to exhaust the amount a Bank is required to contribute pursuant to Sec.  1291.10(a) shall constitute use or commitment of funds. Amounts remaining unused or uncommitted at ***year***-end are deemed to be used or committed if, in combination with AHP funds that have been returned to the Bank or de-committed from canceled projects, they are insufficient to fund:     (1) The next highest scoring AHP applications in the Bank's final funding period of the ***year*** for its General Fund first and then for any Targeted Funds established by the Bank;

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    (2) Pending applications for funds under the Bank's Homeownership Set-Aside ***Programs***, if any; and     (3) Project modifications for AHP subsidy increases approved by the Bank pursuant to the requirements of this part.     (c) Carryover of insufficient amounts. Such insufficient amounts as described in paragraph (b) of this section shall be carried over for use or commitment in the following ***year*** in the Bank's General Fund, and any Targeted Funds or Homeownership Set-Aside ***Programs*** established by the Bank.

    Dated: March 1, 2018. Melvin L. Watt, Director, Federal Housing Finance Agency. [FR Doc. 2018-04745 Filed 3-13-18; 8:45 am]  BILLING CODE 8070-01-P

**Load-Date:** March 16, 2018

**End of Document**



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**Byline:** Chris Janiec

**Body**

The package of support offered by the Trump Administration to US farmers impacted by retaliatory tariffs could ***transfer*** more than $7 million to the nation's organic farmers, according to a report by Mercaris.

Earlier this month, the US Department of ***Agriculture*** announced its Market Facilitation ***Program***, an initiative to distribute $12 billion in financial assistance to farmers "directly impacted by unjustified foreign retaliatory tariffs, resulting in the loss of traditional export markets." In order to be eligible, producers must have had average adjusted gross income of less than $900,000 between 2014 and 2016.

An initial release identified soybeans, sorghum, corn, wheat, cotton, dairy and pork as the ***program***'s focus and a subsequent statement expanded the list of eligible crops to shelled almonds and fresh sweet cherries.

In its monthly organic market update report, Mercaris - a Maryland-based company offering analysis and auctions relating to organic and non-GMO commodities - said that though the MFP funds will also be distributed through support to potential importers and purchases of food commodities, organic producers are most likely to benefit from the ***program***'s direct ***payments*** to farmers.

"Mercaris estimates the US organic sector is likely eligible for about $7.2 million in total MFP compensation, averaging nearly $4,000 per eligible organic producer in MFP compensation," the firm said. "Calculating the benefit to be paid due to the MFP is fairly straightforward: simply multiply the relevant MFP rate by 50 percent of this ***year***'s harvested production."

Mercaris senior economist Ryan Koory told Agri Investor that support from the MFP will be welcomed as a one-time source of support by most organic producers, many of whom are likely to devote the extra money to investments in storage or other infrastructure.

"I don't think it [MFP ***payments***] changes the fundamental economics. We are talking about an amount that comes out in the wash, in terms of making it a more or less attractive investment," said Mercaris founder and chief executive Kelle James. "Maybe it's the investor-owned farmland that has the ability and sophistication to make sure they apply for that and make sure they go and get what they can."

Competition from foreign suppliers played no role in motivating the support for organic producers within the MFP. But elsewhere in the report, Mercaris notes that US organic corn producers have been faced with increased competition from imports.

"It appears ships from Romania routinely deliver more organic corn to the US than actually originate from Romania (per official trade statistics)," Mercaris wrote. "The jump in export activity can be attributed to Serbia's emergence as a major source of US organic corn imports."

Koorry explained that Argentina and Canada have long been consistent sources of US organic imports, but that supplies sent from Black Sea ports are thought to have originated from a variety of Eastern European countries. There had previously been reports of fraudulent organic corn being imported from Serbia, Koory said, so when Mercaris noticed a dramatic uptick in organic imports from there in data released over the summer, it reached out to the USDA, which confirmed that the corn was in fact organic.

"There's a negative patina that has developed around these imports, but it is really important to watch whenever you see a sudden shift like that and really take the regulatory agencies to task and make sure that they do verify that these are indeed legitimate imports," said Koory. "Imports are such a significant part of the supply picture within the US, you don't want to do without them. You do want to make sure that they are genuine, certified USDA organic, because if they are not, they are undercutting the people who are participating in the industry and really upholding the standard."

Though it was unclear if any of those operations were from farms in Eastern Europe that had received overseas capital, Koory said foreign investment in the region's ***agricultural*** sector was common. James added that there are at least two instances of Japanese investors backing organic grain production - Marubeni's Columbia Grain and Blue Grass Farms of Ohio, which is owned by Mitsui.

"Japan already has a lot of experience in importing non-GMO soybeans from the US," said James. "You can imagine it's a short leap to go from there to organic soybeans and other organic crops."

Because consumer demand for organic food continues to expand, James said, domestic investors such as  [*The Andersons*](https://www.agriinvestor.com/pe-backed-lansing-buys-ny-commodities-business/) ,    [*Cargill*](https://www.agriinvestor.com/co-op-buys-back-jv-stake-cargill/)  and    [*Pipeline Foods*](https://www.agriinvestor.com/organic-edge-allows-pipeline-foods-buy-iowa-grain-elevator-adm/)  are also making investments into the infrastructure required to supply the ever-growing number of brands focused on organic offerings.

"You can absolutely see some of the institutional investment capital - rather than just     [*individual farmers*](https://www.agriinvestor.com/exclusive-pipeline-foods-plans-organic-transition-debt-fund/)  - deciding to convert land. That is absolutely happening," James said.

To demonstrate, James highlighted General Mills investment in the 30,000-acre Gunsmoke Farms and investments by    [*Farmland LP*](https://www.agriinvestor.com/exclusive-farmland-lp-tallies-regenerative-impact/) ,    [*Iroquois Valley*](https://www.agriinvestor.com/us-farmland-impact-firm-invests-ny-dairy/)  and others.

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[***Washington: STRENGTHENING CAREER AND TECHNICAL EDUCATION FOR THE 21ST CENTURY ACT (House of Representatives - July 25, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SWY-84M1-F0YC-N0WT-00000-00&context=1516831)

Impact News Service

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**Length:** 33025 words

**Body**

Washington: The Library of Congress, The Government  of USA has issued the following house proceeding:

 Mr. THOMPSON of Pennsylvania. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R 2353) to reauthorize the Carl D. Perkins Career and Technical Education Act of 2006. The Clerk read the title of the bill. The text of the Senate amendment is as follows: Senate amendment: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Strengthening Career and Technical Education for the 21st Century Act''. SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows: Sec. 1. Short title. Sec. 2. Table of contents. Sec. 3. References. Sec. 4. Effective date. Sec. 5. Table of contents of the Carl D. Perkins Career and Technical Education Act of 2006. Sec. 6. Purpose. Sec. 7. Definitions. Sec. 8. Transition provisions. Sec. 9. Prohibitions. Sec. 10. Authorization of appropriations. TITLE I--CAREER AND TECHNICAL EDUCATION ASSISTANCE TO THE STATES PART A--Allotment and Allocation Sec. 110. Reservations and State allotment Sec. 111. Within State allocation. Sec. 112. Accountability. Sec. 113. National activities. Sec. 114. Assistance for the outlying areas. Sec. 115. Native American ***Programs***. Sec. 116. Tribally controlled postsecondary career and technical institutions. Sec. 117. Occupational and employment information. PART B--State Provisions Sec. 121. State administration. Sec. 122. State plan. Sec. 123. Improvement plans. Sec. 124. State leadership activities. PART C--Local Provisions Sec. 131. Distribution of funds to secondary education ***programs***. Sec. 132. Special rules for career and technical education. Sec. 133. Local application for career and technical education ***programs***. Sec. 134. Local uses of funds. TITLE II--GENERAL PROVISIONS Sec. 201. Federal and State administrative provisions. TITLE III--AMENDMENTS TO OTHER LAWS Sec. 301. Amendments to the Wagner-Peyser Act. Sec. 302. Amendments to the Elementary and Secondary Education Act of 1965. Sec. 303. Amendment to the Workforce Innovation and Opportunity Act. SEC. 3. REFERENCES. Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2301 et seq.). SEC. 4. EFFECTIVE DATE. This Act, and the amendments made by this Act, shall take effect beginning on July 1, 2019. SEC. 5. TABLE OF CONTENTS OF THE CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT OF 2006. Section 1(b) is amended to read as follows: ``(b) Table of Contents.--The table of contents for this Act is as follows: ``Sec. 1. Short title; table of contents. ``Sec. 2. Purpose. ``Sec. 3. Definitions. ``Sec. 4. Transition provisions. ``Sec. 5. Privacy. ``Sec. 6. Limitation. ``Sec. 7. Special rule. ``Sec. 8. Prohibitions. ``Sec. 9. Authorization of appropriations. ``TITLE I--CAREER AND TECHNICAL EDUCATION ASSISTANCE TO THE STATES ``Part A--Allotment and Allocation ``Sec. 111. Reservations and State allotment. ``Sec. 112. Within State allocation. ``Sec. 113. Accountability. ``Sec. 114. National activities. ``Sec. 115. Assistance for the outlying areas. ``Sec. 116. Native American ***programs***. ``Sec. 117. Tribally controlled postsecondary career and technical institutions. ``Part B--State Provisions ``Sec. 121. State administration. ``Sec. 122. State plan. ``Sec. 123. Improvement plans. ``Sec. 124. State leadership activities. ``Part C--Local Provisions ``Sec. 131. Distribution of funds to secondary education ***programs***. ``Sec. 132. Distribution of funds for postsecondary education ***programs***. ``Sec. 133. Special rules for career and technical education. ``Sec. 134. Local application for career and technical education ***programs***. ``Sec. 135. Local uses of funds. ``TITLE II--GENERAL PROVISIONS ``Part A--Federal Administrative Provisions ``Sec. 211. Fiscal requirements. ``Sec. 212. Authority to make ***payments***. ``Sec. 213. Construction. ``Sec. 214. Voluntary selection and participation. ``Sec. 215. Limitation for certain students. ``Sec. 216. Federal laws guaranteeing civil rights. ``Sec. 217. Participation of private school personnel and children. ``Sec. 218. Limitation on Federal regulations. ``Sec. 219. Study on ***programs*** of study aligned to high-skill, high-wage occupations. ``Part B--State Administrative Provisions ``Sec. 221. Joint funding. ``Sec. 222. Prohibition on use of funds to induce out-of-State relocation of businesses. ``Sec. 223. State administrative costs. ``Sec. 224. Student assistance and other Federal ***programs***.''. SEC. 6. PURPOSE. Section 2 (20 U.S.C 2301) is amended-- (1) in the matter preceding paragraph (1)-- (A) by striking ``academic and career and technical skills'' and inserting ``academic knowledge and technical and employability skills''; and (B) by inserting ``and ***programs*** of study'' after ``technical education ***programs***''; (2) in paragraph (1), by striking ``high demand occupations'' and inserting ``in-demand occupations''; (3) in paragraph (3), by striking ``, including tech prep education''; (4) in paragraph (4), by inserting ``and ***programs*** of study'' after ``technical education ***programs***''; (5) in paragraph (6), by striking ``and'' after the semicolon; (6) in paragraph (7), by striking the period at the end and inserting ``; and''; and (7) by adding at the end the following: ``(8) increasing the employment opportunities for populations who are chronically unemployed or underemployed, including individuals with disabilities, individuals from economically disadvantaged families, out-of-workforce individuals, youth who are in, or have aged out of, the foster care system, and homeless individuals.''. SEC. 7. DEFINITIONS. Section 3 (20 U.S.C 2302) is amended-- (1) by striking paragraphs (10), (16), (23), (24), (25), (26), and (32); (2) by redesignating paragraphs (8), (9), (11), (12), (13), (14), (15), (17), (18), (19), (20), (21), (22), (27), (28), (29), (30), (31), (33), and (34) as paragraphs (9), (10), (17), (18), (20), (21), (24), (28), (30), (31), (33), (34), (39), (44), (45), (48), (49), (50), (51), and (52), respectively; (3) in paragraph (2), by striking ``, including information as described in section 118''. (4) in paragraph (3)-- (A) in subparagraph (B), by striking ``5 different occupational fields to individuals who are available for study in preparation for entering the labor market'' and inserting ``3 different fields that are available to all students, especially in high-skill, high-wage, or in-demand industry sectors or occupations''; and (B) in subparagraph (D), by striking ``not fewer than 5 different occupational fields'' and inserting ``not fewer than 3 different occupational fields''; (5) in paragraph (5)-- (A) in subparagraph (A)-- (i) by amending clause (i) to read as follows: ``(i) provides individuals with rigorous academic content and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions, which may include high-skill, high-wage, or in- demand industry sectors or occupations, which shall be, at the secondary level, aligned with the challenging State academic standards adopted by a State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965;''; (ii) in clause (ii), by striking ``, an industry-recognized credential, a certificate, or an associate degree'' and inserting ``or a recognized postsecondary credential, which may include an industry-recognized credential, a certificate, or an associate degree''; and [[Page H7176]] (iii) in clause (iii), by striking ``and'' at the end; (B) in subparagraph (B)-- (i) by inserting ``, work-based, or other'' after ``competency-based''; (ii) by striking ``contributes to the'' and inserting ``supports the development of''; (iii) by striking ``general''; and (iv) by striking the period at the end and inserting a semicolon; and (C) by adding at the end the following: ``(C) to the extent practicable, coordinate between secondary and postsecondary education ***programs*** through ***programs*** of study, which may include coordination through articulation agreements, early college high school ***programs***, dual or concurrent enrollment ***program*** opportunities, or other credit ***transfer*** agreements that provide postsecondary credit or advanced standing; and ``(D) may include career exploration at the high school level or as early as the middle grades (as such term is defined in section 8101 of the Elementary and Secondary Education Act of 1965).''; (6) in paragraph (7)-- (A) in subparagraph (A)-- (i) by striking ``(and parents, as appropriate)'' and inserting ``(and, as appropriate, parents and out-of-school youth)''; (ii) by inserting ``exploration opportunities'' after ``regarding career awareness''; and (iii) by striking ``and'' after the semicolon; (B) in subparagraph (B)-- (i) by inserting ``to students (and, as appropriate, parents and out-of-school youth)'' after ``provides information''; and (ii) by striking ``financial aid,'' and all that follows through the end of the subparagraph and inserting ``financial aid, job training, secondary and postsecondary options (including associate and baccalaureate degree ***programs***), dual or concurrent enrollment ***programs***, work-based learning opportunities, early college high schools, financial literacy, and support services, as appropriate; and''; and (C) by adding at the end the following: ``(C) may provide assistance for special populations with respect to direct support services that enable students to persist in and complete career and technical education, ***programs*** of study, or career pathways.''; (7) by inserting after paragraph (7) the following: ``(8) Career pathways.--The term `career pathways' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102).''; (8) by inserting after paragraph (10) (as redesignated by paragraph (2)) the following: ``(11) Credit ***transfer*** agreement.--The term `credit ***transfer*** agreement' means a formal agreement, such as an articulation agreement, among and between secondary and postsecondary education institutions or systems that grant students transcripted postsecondary credit, which may include credit granted to students in dual or concurrent enrollment ***programs*** or early college high school, dual credit, articulated credit, and credit granted on the basis of performance on technical or academic assessments. ``(12) CTE concentrator.--The term `CTE concentrator' means-- ``(A) at the secondary school level, a student served by an eligible recipient who has completed at least 2 courses in a single career and technical education ***program*** or ***program*** of study; and ``(B) at the postsecondary level, a student enrolled in an eligible recipient who has-- ``(i) earned at least 12 credits within a career and technical education ***program*** or ***program*** of study; or ``(ii) completed such a ***program*** if the ***program*** encompasses fewer than 12 credits or the equivalent in total. ``(13) CTE participant.--The term `CTE participant' means an individual who completes not less than one course in a career and technical education ***program*** or ***program*** of study of an eligible recipient. ``(14) Director.--The term `Director' means the Director of the Institute of Education Sciences. ``(15) Dual or concurrent enrollment ***program***.--The term `dual or concurrent enrollment ***program***' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965. ``(16) Early college high school.--The term `early college high school' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.''; (9) by inserting after paragraph (18) (as redesignated by paragraph (2)) the following: ``(19) Eligible entity.--The term `eligible entity' means a consortium that includes the following: ``(A) Representatives of not less than 2 of the following categories of entities, 1 of which shall serve as the fiscal agent for the consortium: ``(i) A local educational agency or a consortium of such agencies. ``(ii) An educational service agency serving secondary school students. ``(iii) An area career and technical education school or a consortium of such schools. ``(iv) An Indian Tribe, Tribal organization, or Tribal educational agency. ``(v) An institution of higher education whose most common degree awarded is an associate degree, or a consortium of such institutions. ``(vi) An institution of higher education whose most common degree awarded is a bachelor's or higher degree, or a consortium of such institutions. ``(vii) A State educational agency. ``(B) One or more business or industry representative partners, which may include representatives of local or regional businesses or industries, including industry or sector partnerships in the local area, local workforce development boards, or labor organizations. ``(C) One or more stakeholders, which may include-- ``(i) parents and students; ``(ii) representatives of local agencies serving out-of- school youth, homeless children and youth, and at-risk youth (as defined in section 1432 of the Elementary and Secondary Education Act of 1965 (20 U.S.C 6472)); ``(iii) representatives of Indian tribes and Tribal organizations, where applicable; ``(iv) representatives of minority-serving institutions (as described in paragraphs (1) through (7) of section 371(a) of the Higher Education Act of 1965 (20 U.S.C 1067q(a)), where applicable; ``(v) representatives of special populations; ``(vi) representatives of adult career and technical education providers; or ``(vii) other relevant community stakeholders.''; (10) by amending paragraph (20) (as redesignated by paragraph (2)) to read as follows: ``(20) Eligible institution.--The term `eligible institution' means-- ``(A) a consortium of 2 or more of the entities described in subparagraphs (B) through (F); ``(B) a public or nonprofit private institution of higher education that offers and will use funds provided under this title in support of career and technical education courses that lead to technical skill proficiency or a recognized postsecondary credential, including an industry-recognized credential, a certificate, or an associate degree; ``(C) a local educational agency providing education at the postsecondary level; ``(D) an area career and technical education school providing education at the postsecondary level; ``(E) an Indian Tribe, Tribal organization, or Tribal education agency that operates a school or may be present in the State; ``(F) a postsecondary educational institution controlled by the Bureau of Indian Education or operated by or on behalf of any Indian Tribe that is eligible to contract with the Secretary of the Interior for the administration of ***programs*** under the Indian Self-Determination and Education Assistance Act (25 U.S.C 5301 et seq.) or the Act of April 16, 1934 (25 U.S.C 5342 et seq.); ``(G) a tribally controlled college or university; or ``(H) an educational service agency.''; (11) in paragraph (21) (as redesignated by paragraph (2)), by inserting ``an Indian Tribe, Tribal organization, or Tribal educational agency'' after ``service agency,''; (12) by inserting after paragraph (21) (as redesignated by paragraph (2)) the following: ``(22) English learner.--The term `English learner' means-- ``(A) a secondary school student who is an English learner, as defined in section 8101 of the Elementary and Secondary Education Act of 1965; or ``(B) an adult or an out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and-- ``(i) whose native language is a language other than English; or ``(ii) who lives in a family environment or community in which a language other than English is the dominant language. ``(23) Evidence-based.--The term `evidence-based' has the meaning given the term in section 8101(21)(A) of the Elementary and Secondary Education Act of 1965.''; (13) by inserting after paragraph (24) (as redesignated by paragraph (2)) the following: ``(25) High school.--The term `high school' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965. ``(26) In-demand industry sector or occupation.--The term `in-demand industry sector or occupation' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102). ``(27) Indian; indian tribe.--The terms `Indian' and `Indian Tribe' have the meanings given the terms `Indian' and `Indian tribe', respectively, in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5304).''; (14) by inserting after paragraph (28) (as redesignated by paragraph (2)) the following: ``(29) Industry or sector partnership.--The term `industry or sector partnership' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102).''; (15) by inserting after paragraph (31) (as redesignated by paragraph (2)) the following: ``(32) Local workforce development board.--The term `local workforce development board' means a local workforce development board established under section 107 of the Workforce Innovation and Opportunity Act (29 U.S.C 3122).''; (16) in paragraph (33) (as redesignated by paragraph (2)), by striking ``including'' and inserting ``such as''; (17) by inserting after paragraph (34) (as redesignated by paragraph (2)) the following: ``(35) Out-of-school youth.--The term `out-of-school youth' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102). ``(36) Out-of-workforce individual.--The term `out-of- workforce individual' means-- ``(A) an individual who is a displaced homemaker, as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102); or ``(B) an individual who-- ``(i)(I) has worked primarily without remuneration to care for a home and family, and for that reason has diminished marketable skills; or ``(II) is a parent whose youngest dependent child will become ineligible to receive assistance under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) not later than 2 ***years*** [[Page H7177]] after the date on which the parent applies for assistance under such title; and ``(ii) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment. ``(37) Paraprofessional.--The term `paraprofessional' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965. ``(38) Pay for success initiative.-- ``(A) In general.--Subject to subparagraph (B), the term `pay for success initiative' means a performance-based grant, contract, or cooperative agreement awarded by a State or local public entity (such as a local educational agency) to a public or private nonprofit entity-- ``(i) in which a commitment is made to pay for improved outcomes that result in increased public value and social benefit to students and the public sector, such as improved student outcomes as evidenced by the indicators of performance described in section 113(b)(2) and direct cost savings or cost avoidance to the public sector; and ``(ii) that includes-- ``(I) a feasibility study on the initiative describing how the proposed intervention is based on evidence of effectiveness; ``(II) a rigorous, third-party evaluation that uses experimental or quasi-experimental design or other research methodologies that allow for the strongest possible causal inferences to determine whether the initiative has met its proposed outcomes; ``(III) an annual, publicly available report on the progress of the initiative; and ``(IV) a requirement that ***payments*** are made to the recipient of a grant, contract, or cooperative agreement only when agreed upon outcomes are achieved, except that the entity may make ***payments*** to the third party conducting the evaluation described in subclause (II). ``(B) Exclusion.--The term `pay for success initiative' does not include any initiative that-- ``(i) reduces the special education or related services that a student would otherwise receive under the Individuals with Disabilities Education Act; or ``(ii) otherwise reduces the rights of a student or the obligations of an entity under the Individuals with Disabilities Education Act, the Rehabilitation Act of 1973 (29 U.S.C 701 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C 12101 et seq.), or any other law.''. (18) in paragraph (39)(C) (as redesignated by paragraph (2)), by striking ``apprenticeship'' and inserting ``other skilled training''; (19) by inserting after paragraph (39) (as redesignated by paragraph (2)) the following: ``(40) Professional development.--The term `professional development' means activities that-- ``(A) are an integral part of eligible agency, eligible recipient, institution, or school strategies for providing educators (including teachers, principals, other school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, and paraprofessionals) with the knowledge and skills necessary to enable students to succeed in career and technical education, to meet challenging State academic standards under section 1111(b)(1) of the Elementary and Secondary Education Act, or to achieve academic skills at the postsecondary level; and ``(B) are sustained (not stand-alone, 1-day, or short-term workshops), intensive, collaborative, job-embedded, data- driven, and classroom-focused, to the extent practicable evidence-based, and may include activities that-- ``(i) improve and increase educators'-- ``(I) knowledge of the academic and technical subjects; ``(II) understanding of how students learn; and ``(III) ability to analyze student work and achievement from multiple sources, including how to adjust instructional strategies, assessments, and materials based on such analysis; ``(ii) are an integral part of eligible recipients' improvement plans; ``(iii) allow personalized plans for each educator to address the educator's specific needs identified in observation or other feedback; ``(iv) support the recruitment, hiring, and training of effective educators, including educators who became certified through State and local alternative routes to certification; ``(v) advance educator understanding of-- ``(I) effective instructional strategies that are evidence- based; and ``(II) strategies for improving student academic and technical achievement or substantially increasing the knowledge and teaching skills of educators; ``(vi) are developed with extensive participation of educators, parents, students, and representatives of Indian Tribes (as applicable), of schools and institutions served under this Act; ``(vii) are designed to give educators of students who are English learners in career and technical education ***programs*** or ***programs*** of study the knowledge and skills to provide instruction and appropriate language and academic support services to those students, including the appropriate use of curricula and assessments; ``(viii) as a whole, are regularly evaluated for their impact on increased educator effectiveness and improved student academic and technical achievement, with the findings of the evaluations used to improve the quality of professional development; ``(ix) are designed to give educators of individuals with disabilities in career and technical education ***programs*** or ***programs*** of study the knowledge and skills to provide instruction and academic support services to those individuals, including positive behavioral interventions and supports, multi-tier system of supports, and use of accommodations; ``(x) include instruction in the use of data and assessments to inform and instruct classroom practice; ``(xi) include instruction in ways that educators may work more effectively with parents and families; ``(xii) provide follow-up training to educators who have participated in activities described in this paragraph that are designed to ensure that the knowledge and skills learned by the educators are implemented in the classroom; ``(xiii) promote the integration of academic knowledge and skills and relevant technical knowledge and skills, including ***programming*** jointly delivered to academic and career and technical education teachers; or ``(xiv) increase the ability of educators providing career and technical education instruction to stay current with industry standards. ``(41) ***Program*** of study.--The term `***program*** of study' means a coordinated, nonduplicative sequence of academic and technical content at the secondary and postsecondary level that-- ``(A) incorporates challenging State academic standards, including those adopted by a State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965; ``(B) addresses both academic and technical knowledge and skills, including employability skills; ``(C) is aligned with the needs of industries in the economy of the State, region, Tribal community, or local area; ``(D) progresses in specificity (beginning with all aspects of an industry or career cluster and leading to more occupation-specific instruction); ``(E) has multiple entry and exit points that incorporate credentialing; and ``(F) culminates in the attainment of a recognized postsecondary credential. ``(42) Qualified intermediary.--The term `qualified intermediary' means a nonprofit entity, which may be part of an industry or sector partnership, that demonstrates expertise in building, connecting, sustaining, and measuring partnerships with entities such as employers, schools, community-based organizations, postsecondary institutions, social service organizations, economic development organizations, Indian tribes or Tribal organizations, and workforce systems to broker services, resources, and supports to youth and the organizations and systems that are designed to serve youth, including-- ``(A) connecting employers to classrooms; ``(B) assisting in the design and implementation of career and technical education ***programs*** and ***programs*** of study; ``(C) delivering professional development; ``(D) connecting students to internships and other work- based learning opportunities; and ``(E) developing personalized student supports. ``(43) Recognized postsecondary credential.--The term `recognized postsecondary credential' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102).''; (20) by inserting after paragraph (45) (as redesignated by paragraph (2)) the following: ``(46) Specialized instructional support personnel.--The term `specialized instructional support personnel' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965. ``(47) Specialized instructional support services.--The term `specialized instructional support services' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.''; (21) in paragraph (48) (as redesignated by paragraph (2))-- (A) in subparagraph (B), by striking ``foster children'' and inserting ``low-income youth and adults''; (B) by striking subparagraph (E) and inserting the following: ``(E) out-of-workforce individuals;''; (C) in subparagraph (F), by striking ``individuals with limited English proficiency.'' and inserting ``English learners;''; and (D) by adding at the end the following: ``(G) homeless individuals described in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C 11434a); ``(H) youth who are in, or have aged out of, the foster care system; and ``(I) youth with a parent who-- ``(i) is a member of the armed forces (as such term is defined in section 101(a)(4) of title 10, United States Code); and ``(ii) is on active duty (as such term is defined in section 101(d)(1) of such title).''; (22) in paragraph (50) (as redesignated by paragraph (2)), by inserting ``(including paraprofessionals and specialized instructional support personnel)'' after ``supportive personnel''; (23) in paragraph (52) (as redesignated by paragraph (2))-- (A) in subparagraph (A), by striking ``Indian tribe or Indian tribes'' and inserting ``Indian Tribe or Indian Tribes''; and (B) in subparagraph (D)-- (i) by striking ``tribal'' and inserting ``Tribal''; and (ii) by inserting ``or tribal lands'' after ``reservations''; and (24) by adding at the end the following: ``(53) Tribal organization.--The term `Tribal organization' has the meaning given the term `tribal organization' in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5304). ``(54) Universal design for learning.--The term `universal design for learning' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965. ``(55) Work-based learning.--The term `work-based learning' means sustained interactions with industry or community professionals in real workplace settings, to the extent practicable, or simulated environments at an educational institution that foster in-depth, firsthand engagement with the tasks required in [[Page H7178]] a given career field, that are aligned to curriculum and instruction.''. SEC. 8. TRANSITION PROVISIONS. Section 4 (20 U.S.C 2303) is amended-- (1) by striking ``the Secretary determines to be appropriate'' and inserting ``are necessary''; (2) by striking ``Carl D. Perkins Career and Technical Education Improvement Act of 2006'' each place it appears and inserting ``Strengthening Career and Technical Education for the 21st Century Act''; and (3) by striking ``1998'' and inserting ``2006''. SEC. 9. PROHIBITIONS. Section 8 (20 U.S.C 2306a) is amended-- (1) in subsection (a), by striking ``Federal Government to mandate,'' and all that follows through the period at the end and inserting ``Federal Government-- ``(1) to condition or incentivize the receipt of any grant, contract, or cooperative agreement, or the receipt of any priority or preference under such grant, contract, or cooperative agreement, upon a State, local educational agency, eligible agency, eligible recipient, eligible entity, or school's adoption or implementation of specific instructional content, academic standards and assessments, curricula, or ***program*** of instruction (including any condition, priority, or preference to adopt the Common Core State Standards developed under the Common Core State Standards Initiative, any other academic standards common to a significant number of States, or any assessment, instructional content, or curriculum aligned to such standards); ``(2) through grants, contracts, or other cooperative agreements, to mandate, direct, or control a State, local educational agency, eligible agency, eligible recipient, eligible entity, or school's specific instructional content, academic standards and assessments, curricula, or ***program*** of instruction (including any requirement, direction, or mandate to adopt the Common Core State Standards developed under the Common Core State Standards Initiative, any other academic standards common to a significant number of States, or any assessment, instructional content, or curriculum aligned to such standards); or ``(3) except as required under sections 112(b), 211(b), and 223-- ``(A) to mandate, direct, or control the allocation of State or local resources; or ``(B) to mandate that a State or a political subdivision of a State spend any funds or incur any costs not paid for under this Act.''; (2) by amending subsection (d) to read as follows: ``(d) Rule of Construction.--Nothing in this section affects the applicability of subchapter II of chapter 5, and chapter 7, of title 5, United States Code, (commonly known as the ``Administrative Procedure Act'') or chapter 8 of title 5, United States Code, commonly known as the ``Congressional Review Act'').''; and (3) by adding at the end the following: ``(f) Congressional Notice and Comment.-- ``(1) Notice to congress.--Not less than 15 business days prior to issuing a notice of proposed rulemaking related to this Act in the Federal Register, the Secretary shall provide to the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Education and the Workforce of the House of Representatives, and other relevant congressional committees, notice of the Secretary's intent to issue a notice of proposed rulemaking that shall include-- ``(A) a copy of the proposed regulation; ``(B) the need to issue the regulation; ``(C) a description of how the regulation is consistent with the scope of this Act; ``(D) the anticipated burden (including the time, cost, and paperwork burden) the regulation will impose on an eligible agency, institution, or recipient that may be impacted by the regulation, including the potential impact on rural areas; ``(E) the anticipated benefits to an eligible agency, institution, or recipient that may be impacted by the regulation, including in rural areas; and ``(F) any regulations that will be repealed when the new regulation is issued. ``(2) Comment period for congress.--The Secretary shall-- ``(A) before issuing any notice of proposed rulemaking under this subsection, provide Congress with a comment period of 15 business days to make comments on the proposed regulation, beginning on the date that the Secretary provides the notice of intent to the appropriate committees of Congress under paragraph (1); and ``(B) include and seek to address all comments submitted by members of Congress in the public rulemaking record for the regulation published in the Federal Register. ``(3) Comment and review period; emergency situations.--The comment and review period for any proposed regulation shall be not less than 60 days unless an emergency requires a shorter period, in which case the Secretary shall-- ``(A) designate the proposed regulation as an emergency with an explanation of the emergency in the notice to Congress under paragraph (1); ``(B) publish the length of the comment and review period in such notice and in the Federal Register; and ``(C) conduct immediately thereafter regional meetings to review such proposed regulation before issuing any final regulation.''. SEC. 10. AUTHORIZATION OF APPROPRIATIONS. Section 9 (20 U.S.C 2307) is amended to read as follows: ``SEC. 9. AUTHORIZATION OF APPROPRIATIONS. ``There are authorized to be appropriated to carry out this Act (other than sections 114 and 117)-- ``(1) $1,229,568,538 for fiscal ***year*** 2019; ``(2) $1,246,782,498 for fiscal ***year*** 2020; ``(3) $1,264,237,452 for fiscal ***year*** 2021; ``(4) $1,281,936,777 for fiscal ***year*** 2022; ``(5) $1,299,883,892 for fiscal ***year*** 2023; and ``(6) $1,318,082,266 for fiscal ***year*** 2024.''. TITLE I--CAREER AND TECHNICAL EDUCATION ASSISTANCE TO THE STATES PART A--ALLOTMENT AND ALLOCATION SEC. 110. RESERVATIONS AND STATE ALLOTMENT. Section 111 (20 U.S.C 2321) is amended to read as follows: ``SEC. 111. RESERVATIONS AND STATE ALLOTMENT. ``(a) Reservations and State Allotment.-- ``(1) Reservations.--From the amount appropriated under section 9 for each fiscal ***year***, the Secretary shall reserve-- ``(A) 0.13 percent to carry out section 115; and ``(B) 1.50 percent to carry out section 116, of which-- ``(i) 1.25 percent of the sum shall be available to carry out section 116(b); and ``(ii) 0.25 percent of the sum shall be available to carry out section 116(h). ``(2) Foundational grant.-- ``(A) In general.--From the remainder of the amount appropriated under section 9 and not reserved under paragraph (1) for a fiscal ***year***, the Secretary shall allot to a State for the fiscal ***year*** an amount equal to the amount the State received in fiscal ***year*** 2018. ``(B) Ratable reduction.--If for any fiscal ***year*** the amount appropriated for allotments under this section is insufficient to satisfy the provisions of subparagraph (A), the ***payments*** to all States under such subparagraph shall be ratably reduced. ``(3) Additional funds.--Subject to paragraph (4), from the additional funds remaining from the amount appropriated under section 9 and not expended under paragraphs (1) and (2) for a fiscal ***year***, the Secretary shall allot to a State for the fiscal ***year***-- ``(A) an amount that bears the same ratio to 50 percent of the sum being allotted as the product of the population aged 15 to 19, inclusive, in the State in the fiscal ***year*** preceding the fiscal ***year*** for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; ``(B) an amount that bears the same ratio to 20 percent of the sum being allotted as the product of the population aged 20 to 24, inclusive, in the State in the fiscal ***year*** preceding the fiscal ***year*** for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; ``(C) an amount that bears the same ratio to 15 percent of the sum being allotted as the product of the population aged 25 to 65, inclusive, in the State in the fiscal ***year*** preceding the fiscal ***year*** for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and ``(D) an amount that bears the same ratio to 15 percent of the sum being allotted as the amounts allotted to the State under subparagraphs (A), (B), and (C) for such ***years*** bears to the sum of the amounts allotted to all the States under subparagraphs (A), (B), and (C) for such ***year***. ``(4) Minimum allotment for ***years*** with additional funds.-- ``(A) In general.--Subject to subparagraph (B), for a fiscal ***year*** for which there are additional funds described in paragraph (3), no State shall receive for such fiscal ***year*** under paragraph (3) less than 1/2 of 1 percent of the additional funds available for such fiscal ***year***. Amounts necessary for increasing such ***payments*** to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States. ``(B) Special rule.--In the case of a qualifying State, the minimum allotment under subparagraph (A) for a fiscal ***year*** for the qualifying State shall be the lesser of-- ``(i) 1/2 of 1 percent of the additional funds available for such fiscal ***year***; and ``(ii) the product of-- ``(I) 1/3 of the additional funds; multiplied by ``(II) the quotient of-- ``(aa) the qualifying State's ratio described in subparagraph (C) for the fiscal ***year*** for which the determination is made; divided by ``(bb) the sum of all such ratios for all qualifying States for the fiscal ***year*** for which the determination is made. ``(C) Ratio.--For purposes of subparagraph (B)(ii)(II)(aa), the ratio for a qualifying State for a fiscal ***year*** shall be 1.00 less the quotient of-- ``(i) the amount the qualifying State is allotted under paragraph (3) for the fiscal ***year***; divided by ``(ii) 1/2 of 1 percent of the amount appropriated under paragraph (3) for the fiscal ***year*** for which the determination is made. ``(D) Definitions.--In this paragraph, the term `qualifying State' means a State (except the United States Virgin Islands) that, for the fiscal ***year*** for which a determination under this paragraph is made, would receive, under the allotment formula under paragraph (3) (without the application of this paragraph), an amount that would be less than the amount the State would receive under subparagraph (A) for such fiscal ***year***. ``(b) Reallotment.--If the Secretary determines that any amount of any State's allotment under subsection (a) for any fiscal ***year*** will not be required for such fiscal ***year*** for carrying out the activities for which such amount has been allotted, the Secretary shall make such amount available for reallotment. Any such reallotment among other States shall occur on such dates during the same ***year*** as the Secretary shall fix, and shall be made on the basis of criteria established by regulation. No funds may be reallotted [[Page H7179]] for any use other than the use for which the funds were appropriated. Any amount reallotted to a State under this subsection for any fiscal ***year*** shall remain available for obligation during the succeeding fiscal ***year*** and shall be deemed to be part of the State's allotment for the ***year*** in which the amount is obligated. ``(c) Allotment Ratio.-- ``(1) In general.--The allotment ratio for any State shall be 1.00 less the product of-- ``(A) 0.50; and ``(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of the Commonwealth of Puerto Rico and the United States Virgin Islands), except that-- ``(i) the allotment ratio in no case shall be more than 0.60 or less than 0.40; and ``(ii) the allotment ratio for the Commonwealth of Puerto Rico and the United States Virgin Islands shall be 0.60 ``(2) Promulgation.--The allotment ratios shall be promulgated by the Secretary for each fiscal ***year*** between October 1 and December 31 of the fiscal ***year*** preceding the fiscal ***year*** for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the 3 most recent consecutive fiscal ***years*** for which satisfactory data are available. ``(3) Definition of per capita income.--For the purpose of this section, the term `per capita income' means, with respect to a fiscal ***year***, the total personal income in the ***calendar*** ***year*** ending in such ***year***, divided by the population of the area concerned in such ***year***. ``(4) Population determination.--For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department of Education. ``(d) Definition of State.--For the purpose of this section, the term `State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.''. SEC. 111. WITHIN STATE ALLOCATION. Section 112 (20 U.S.C 2322) is amended-- (1) in subsection (a)-- (A) in paragraph (1), by striking ``10 percent'' and inserting ``15 percent''; (B) in paragraph (2)-- (i) in subparagraph (A)-- (I) by striking ``1 percent'' and inserting ``2 percent''; (II) by striking ``State correctional institutions and institutions'' and inserting ``State correctional institutions, juvenile justice facilities, and educational institutions''; and (III) by striking ``and'' after the semicolon; and (ii) by inserting after subparagraph (B) the following: ``(C) an amount shall be made available for the recruitment of special populations to enroll in career and technical education ***programs***, which shall be not less than the lesser of-- ``(i) an amount equal to 0.1 percent; or ``(ii) $50,000; and''; (C) in paragraph (3)(B), by striking ``a local plan;'' and inserting ``local applications;''; and (2) in subsection (c), by striking ``section 135'' and all that follows through the end and inserting ``section 135-- ``(1) in-- ``(A) rural areas; ``(B) areas with high percentages of CTE concentrators or CTE participants; ``(C) areas with high numbers of CTE concentrators or CTE participants; and ``(D) areas with disparities or gaps in performance as described in section 113(b)(3)(C)(ii)(II); and ``(2) in order to-- ``(A) foster innovation through the identification and promotion of promising and proven career and technical education ***programs***, practices, and strategies, which may include ***programs***, practices, and strategies that prepare individuals for nontraditional fields; or ``(B) promote the development, implementation, and adoption of ***programs*** of study or career pathways aligned with State- identified high-skill, high-wage, or in-demand occupations or industries.''. SEC. 112. ACCOUNTABILITY. Section 113 (20 U.S.C 2323) is amended-- (1) in subsection (b)-- (A) in the subsection heading, by inserting ``Determined'' after ``State''; (B) in paragraph (1)-- (i) in the matter preceding subparagraph (A), by inserting ``State determined'' before ``performance''; (ii) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); (iii) in subparagraph (A), by inserting ``and'' after the semicolon; and (iv) in subparagraph (B), as so redesignated-- (I) by striking ``a State adjusted level of performance'' and inserting ``a State determined level of performance''; and (II) by striking ``, and State levels of performance described in paragraph (3)(B) for each additional indicator of performance''; and (C) by striking paragraph (2) and inserting the following: ``(2) Indicators of performance.-- ``(A) Core indicators of performance for cte concentrators at the secondary level.--Each eligible agency shall identify in the State plan core indicators of performance for CTE concentrators at the secondary level that are valid and reliable, and that include, at a minimum, measures of each of the following: ``(i) The percentage of CTE concentrators who graduate high school, as measured by-- ``(I) the four-***year*** adjusted cohort graduation rate (defined in section 8101 of the Elementary and Secondary Education Act of 1965); and ``(II) at the State's discretion, the extended-***year*** adjusted cohort graduation rate defined in such section 8101. ``(ii) CTE concentrator proficiency in the challenging State academic standards adopted by the State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, as measured by the academic assessments described in section 1111(b)(2) of such Act. ``(iii) The percentage of CTE concentrators who, in the second quarter after exiting from secondary education, are in postsecondary education or advanced training, military service or a service ***program*** that receives assistance under title I of the National and Community Service Act of 1990 (42 U.S.C 12511 et seq.), are volunteers as described in section 5(a) of the Peace Corps Act (22 U.S.C 2504(a)), or are employed. ``(iv) Indicators of career and technical education ***program*** quality as follows: ``(I) That shall include at least 1 of the following: ``(aa) The percentage of CTE concentrators graduating from high school having attained a recognized postsecondary credential. ``(bb) The percentage of CTE concentrators graduating from high school having attained postsecondary credits in the relevant career and technical education ***program*** or ***program*** of study earned through a dual or concurrent enrollment ***program*** or another credit ***transfer*** agreement. ``(cc) The percentage of CTE concentrators graduating from high school having participated in work-based learning. ``(II) That may include any other measure of student success in career and technical education that is statewide, valid, and reliable, and comparable across the State. ``(v) The percentage of CTE concentrators in career and technical education ***programs*** and ***programs*** of study that lead to non-traditional fields. ``(B) Core indicators of performance for cte concentrators at the postsecondary level.--Each eligible agency shall identify in the State plan core indicators of performance for CTE concentrators at the postsecondary level that are valid and reliable, and that include, at a minimum, measures of each of the following: ``(i) The percentage of CTE concentrators who, during the second quarter after ***program*** completion, remain enrolled in postsecondary education, are in advanced training, military service, or a service ***program*** that receives assistance under title I of the National and Community Service Act of 1990 (42 U.S.C 12511 et seq.), are volunteers as described in section 5(a) of the Peace Corps Act (22 U.S.C 2504(a)), or are placed or retained in employment. ``(ii) The percentage of CTE concentrators who receive a recognized postsecondary credential during participation in or within 1 ***year*** of ***program*** completion. ``(iii) The percentage of CTE concentrators in career and technical education ***programs*** and ***programs*** of study that lead to non-traditional fields. ``(C) Alignment of performance indicators.--In developing core indicators of performance under subparagraphs (A) and (B), an eligible agency shall, to the greatest extent possible, align the indicators so that substantially similar information gathered for other State and Federal ***programs***, or for any other purpose, may be used to meet the requirements of this section.''; (D) in paragraph (3)-- (i) in the paragraph heading, by inserting ``determined'' after ``State''; (ii) by amending subparagraph (A) to read as follows: ``(A) State determined levels of performance for core indicators of performance.-- ``(i) In general.-- ``(I) Levels determined by the eligible agency.--Each eligible agency, with input from eligible recipients, shall establish in the State plan submitted under section 122, for each ***year*** covered by the State plan, State determined levels of performance for each of the core indicators described under subparagraphs (A) and (B) of paragraph (2) for career and technical education activities authorized under this title. The level of performance for a core indicator shall be the same for all CTE concentrators in the State. ``(II) Technical assistance.--The Secretary may assist an eligible agency in establishing the State determined levels of performance under this subparagraph only at the request of that eligible agency. ``(III) Requirements.--Such State determined levels of performance shall, at a minimum-- ``(aa) be expressed in a percentage or numerical form, so as to be objective, quantifiable, and measurable; ``(bb) require the State to continually make meaningful progress toward improving the performance of all career and technical education students, including the subgroups of students described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965, and special populations, as described in section 3(48); and ``(cc) have been subject to the public comment process described in subparagraph (B), and the eligible agency has provided a written response; ``(dd) when being adjusted pursuant to clause (ii), take into account how the levels of performance involved compare with the State levels of performance established for other States, considering factors including the characteristics of actual (as opposed to anticipated) CTE concentrators when the CTE concentrators entered the ***program***, and the services or instruction to be provided; ``(ee) when being adjusted pursuant to clause (ii), be higher than the average actual performance of the 2 most recently completed ***program*** ***years***, except in the case of unanticipated circumstances that require revisions in accordance with clause (iii); and ``(ff) take into account the extent to which the State determined levels of performance advance [[Page H7180]] the eligible agency's goals, as set forth in the State plan. ``(ii) Allowable adjustment of state determined levels of performance for subsequent ***years***.--Prior to the third ***program*** ***year*** covered by the State plan, each eligible agency may revise the State determined levels of performance for any of the core indicators of performance for the subsequent ***program*** ***years*** covered by the State plan, and submit the revised State determined levels of performance to the Secretary. If the eligible agency adjusts any levels of performance, the eligible agency shall adjust those levels in accordance with clause (i), and address written comments of stakeholders as described in subparagraph (B). The Secretary shall approve those revised levels of performance if those levels meet the requirements described in subclause (III) of clause (i). The State determined adjusted levels of performance identified under this clause shall be considered to be the State determined levels of performance for the State for such ***years*** and shall be incorporated into the State plan. ``(iii) Unanticipated circumstances.--If unanticipated circumstances arise in a State or changes occur related to improvements in data or measurement approaches, the eligible agency, at the end of the ***program*** ***year***, may revise the State determined levels of performance required under this subparagraph. After public comment, as described in subparagraph (B), the eligible agency shall submit such revised levels of performance to the Secretary with evidence supporting the revision. The Secretary shall approve any such revision if that revision meets the requirements of clause (ii).''; (iii) by striking subparagraph (B) and inserting the following: ``(B) Public comment.-- ``(i) In general.--Each eligible agency shall develop the levels of performance under subparagraph (A) in consultation with the stakeholders identified in section 122(c)(1)(A). ``(ii) Written comments.--Not less than 60 days prior to submission of the State plan, the eligible agency shall provide such stakeholders with the opportunity to provide written comments to the eligible agency, which shall be included in the State plan, regarding how the levels of performance described under subparagraph (A)-- ``(I) meet the requirements of the law; ``(II) support the improvement of performance of all CTE concentrators, including subgroups of students, as described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965, and special populations, as described in section 3(48); and ``(III) support the needs of the local education and business community. ``(iii) Eligible agency response.--Each eligible agency shall provide, in the State plan, a written response to the comments provided by stakeholders under clause (ii).''; and (iv) by adding at the end the following: ``(C) State report.-- ``(i) In general.--Each eligible agency that receives an allotment under section 111 shall annually prepare and submit to the Secretary a report regarding-- ``(I) the progress of the State in achieving the State determined levels of performance on the core indicators of performance; and ``(II) the actual levels of performance for all CTE concentrators, and for each of the subgroups of students, as described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965, and special populations, as described in section 3(48). ``(ii) Data.--Except as provided in subparagraph (E), each eligible agency that receives an allotment under section 111 shall-- ``(I) disaggregate data for each of the indicators of performance under paragraph (2)-- ``(aa) for subgroups of students, as described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965, and special populations, as described in section 3(48), that are served under this Act; and ``(bb) by the career and technical education ***programs*** or ***programs*** of study of the CTE concentrators, except that in a case in which reporting by such ***program*** or ***program*** of study is impractical, the data may be disaggregated by the career clusters of the CTE concentrators, if appropriate; ``(II) identify and quantify any disparities or gaps in performance on the State determined levels of performance under subparagraph (A) between any such subgroup or special population and the performance of all CTE concentrators served by the eligible agency under this Act, which shall include a quantifiable description of the progress each such subgroup or special population of students served by the eligible agency under this Act has made in meeting the State determined levels of performance; and ``(III) for CTE concentrators described in paragraph (2)(A)(iii) and paragraph (2)(B)(i), disaggregate data, to the extent such data is available, by each of the following: ``(aa) Individuals enrolled in postsecondary education (disaggregated by postsecondary award level, including certificate, associate, or baccalaureate degree). ``(bb) Individuals in advanced training. ``(cc) Individuals in military service or a service ***program*** that receives assistance under title I of the National and Community Service Act of 1990 (42 U.S.C 12511 et seq.) or volunteers as described in section 5(a) of the Peace Corps Act (22 U.S.C 2504(a)). ``(dd) Individuals in employment (including those individuals who are employed in a high-skill, high-wage, or in-demand sector or occupation). ``(iii) Nonduplication.--The Secretary shall ensure that each eligible agency does not report duplicative information under this section. ``(iv) Information dissemination.--The Secretary shall-- ``(I) make the information contained in such reports available to the general public through a variety of formats, including electronically through the Internet; ``(II) disseminate State-by-State comparisons of the information contained in such reports; and ``(III) provide the appropriate committees of Congress with copies of such reports. ``(D) State dissemination of actual levels of performance.--At the end of each ***program*** ***year***, the eligible agency shall disseminate the actual levels of performance described in subparagraph (C)(i)(II)-- ``(i) widely, including to students, parents, and educators; ``(ii) through a variety of formats, including electronically through the Internet; and ``(iii) in user-friendly formats and languages that are easily accessible, as determined by the eligible agency. ``(E) Rules for reporting data.--The disaggregation of data under this paragraph shall not be required when the number of students in a category is insufficient to yield statistically reliable information or when the results would reveal personally identifiable information about an individual student.''; and (E) in paragraph (4)-- (i) in subparagraph (A)-- (I) in the subparagraph heading, by striking ``adjusted''; (II) by striking clauses (iii) and (v), and redesignating clauses (iv) and (vi) as clauses (iii) and (v), respectively; (III) in clause (i)-- (aa) in the matter preceding subclause (I)-- (AA) by striking ``State adjusted levels of performance'' and inserting ``State determined levels of performance for each ***year*** of the plan''; and (BB) by striking ``local adjusted levels'' and inserting ``local levels'' each place the term appears; (bb) in subclause (I)-- (AA) by striking ``consistent with the State levels of performance established under paragraph (3), so as'' and inserting ``consistent with the form expressed in the State determined levels, so as''; and (BB) by striking ``and'' after the semicolon; and (cc) in subclause (II), by striking ``continually make progress toward improving the performance of career and technical education students.'' and inserting ``continually make meaningful progress toward improving the performance of all CTE concentrators, including subgroups of students described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965 and special populations, as described in section 3(48);''; and (dd) by adding at the end the following: ``(III) when being adjusted as described in clause (iii), be higher than the average actual performance levels of the previous 2 ***program*** ***years***, except in a case in which unanticipated circumstances arise with respect to the eligible recipient and that eligible recipient meets the requirements for revisions under clause (iv); ``(IV) when being adjusted as described in clause (iii), take into account how the local levels of performance compare with the local levels of performance established for other eligible recipients, considering factors including the characteristics of actual (as opposed to anticipated) CTE concentrators at the time those CTE concentrators entered the ***program***, and the services or instruction to be provided; and ``(V) set the local levels of performance using valid and reliable data that measures-- ``(aa) the differences within the State in actual economic conditions (including differences in unemployment rates and job losses or gains in particular industries); and ``(bb) the abilities of the State and the eligible recipient to collect and access valid, reliable, and cost- effective data.''; (IV) in clause (ii)-- (aa) in the clause heading, by striking ``plan'' and inserting ``application''; (bb) by striking ``plan'' and inserting ``application''; and (cc) by striking ``the first 2'' and inserting ``each of the''; (V) by amending clause (iii), as redesignated by subclause (II), to read as follows: ``(iii) Allowable adjustments of local levels of performance for subsequent ***years***.--Prior to the third ***program*** ***year*** covered by the local application, the eligible recipient may, if the eligible recipient reaches an agreement with the eligible agency, adjust the local levels of performance for any of the core indicators of performance for the subsequent ***program*** ***years*** covered by the local application, in accordance with that agreement and with this subparagraph. The local adjusted levels of performance agreed to under this clause shall be considered to be the local levels of performance for the eligible recipient for such ***years*** and shall be incorporated into the local application.''; and (VI) in clause (v), as redesignated by subclause (II), by striking ``If unanticipated circumstances arise with respect to an eligible recipient resulting in a significant change in the factors described in clause (v), the eligible recipient may request that the local adjusted levels of performance agreed to under clause (iii) or (iv) be revised.'' and inserting ``If unanticipated circumstances arise, or changes occur related to improvements in data or measurement approaches, the eligible recipient may request that the local levels of performance agreed to under clauses (i) and (iii) be revised.''; (ii) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and (iii) in subparagraph (B), as redesignated by clause (ii)-- (I) in clause (i), by striking ``the data described in clause (ii)(I), regarding the progress [[Page H7181]] of such recipient in achieving the local adjusted levels of performance'' and inserting ``the data on the actual performance levels described in clause (ii), including the progress of such recipient in achieving the local levels of performance''; (II) in clause (ii)-- (aa) in subclause (I)-- (AA) by striking ``section 1111(h)(1)(C)(i)'' and inserting ``section 1111(h)(1)(C)(ii)''; (BB) by striking ``section 3(29)'' and inserting ``section 3(48)''; and (CC) by striking ``and'' after the semicolon; and (bb) in subclause (II)-- (AA) by inserting ``, as described in paragraph 3(C)(ii)(II),'' after ``gaps in performance''; (BB) by inserting ``as described in subclause (I) (including special populations)'' after ``category of students''; (CC) by striking ``all students'' and inserting ``all CTE concentrators''; and (DD) by adding at the end the following: ``(III) disaggregate data by the career and technical education ***programs*** or ***programs*** of study of the CTE concentrators, except that in a case in which reporting by such ***program*** or ***program*** of study is impractical, the data may be disaggregated by the career clusters of the CTE concentrators, if appropriate; and ``(IV) for CTE concentrators described in paragraph (2)(A)(iii) and paragraph (2)(B)(i), disaggregate data, to the extent such data is available, by each of the following: ``(aa) Individuals enrolled in postsecondary education (disaggregated by postsecondary award level, including certificate, associate, or baccalaureate degree). ``(bb) Individuals in advanced training. ``(cc) Individuals in military service or a service ***program*** that receives assistance under title I of the National and Community Service Act of 1990 (42 U.S.C 12511 et seq.) or volunteers as described in section 5(a) of the Peace Corps Act (22 U.S.C 2504(a)). ``(dd) Individuals in employment (including those individuals who are employed in a high-skill, high-wage, or in-demand sector or occupation).''; (III) in clause (iii), by striking ``subsection (c)(3)'' and inserting ``paragraph (3)(C)(iii)''; (IV) in clause (iv), by striking ``clause (ii)'' and inserting ``this paragraph''; and (V) by striking clause (v) and inserting the following: ``(v) Availability.--The report described in clause (i) shall be made available by the eligible recipient through a variety of formats, including electronically through the Internet, to students, parents, educators, and the public, and the information contained in such report shall be in a format that is understandable and uniform, and to the extent practicable, provided in a language that students, parents, and educators can understand.''; and (2) by striking subsection (c). SEC. 113. NATIONAL ACTIVITIES. Section 114 (20 U.S.C 2324) is amended-- (1) in subsection (a)(1)-- (A) by striking ``The Secretary shall'' the first place it appears and inserting ``The Secretary shall, in consultation with the Director,''; and (B) by inserting ``from eligible agencies under section 113(b)(3)(C)'' after ``pursuant to this title''; (2) by amending subsection (b) to read as follows: ``(b) Reasonable Cost.--The Secretary shall take such action as may be necessary to secure at reasonable cost the information required by this title. To ensure reasonable cost, the Secretary, in consultation with the National Center for Education Statistics and the Office of Career, Technical, and Adult Education shall determine the methodology to be used and the frequency with which such information is to be collected.''; (3) in subsection (c)-- (A) in paragraph (1), by striking ``Secretary may'' and inserting ``Secretary shall''; (B) in paragraph (2)-- (i) in subparagraph (B), by inserting ``, acting through the Director,'' after ``describe how the Secretary''; and (ii) in subparagraph (C), by inserting ``, in consultation with the Director,'' after ``Secretary''; (4) in subsection (d)-- (A) in paragraph (1)-- (i) in subparagraph (A)-- (I) by inserting ``, acting through the Director,'' after ``The Secretary''; (II) by inserting ``and the plan developed under subsection (c)'' after ``described in paragraph (2)''; and (III) by striking ``assessment'' each place such term appears and inserting ``evaluation''; (ii) in subparagraph (B)-- (I) in clause (v), by striking ``; and'' and inserting a semicolon; (II) in clause (vi)-- (aa) by inserting ``qualified'' before ``intermediaries''; and (bb) by striking the period at the end and inserting ``, which may include individuals with expertise in addressing inequities in access to, and in opportunities for, academic and technical skill attainment;''; and (III) by adding at the end the following: ``(vii) representatives of Indian Tribes and Tribal organizations; and ``(viii) representatives of special populations.''; and (iii) in subparagraph (C)-- (I) by inserting ``the Director,'' after ``the Secretary,''; and (II) by striking ``assessment'' and inserting ``evaluation''; (B) in paragraph (2)-- (i) in the heading, by striking ``and assessment''; (ii) in subparagraph (A)-- (I) by striking ``subsection (e), the Secretary'' and inserting ``subsection (f), the Secretary, acting through the Director,''; (II) by striking ``an independent evaluation and assessment'' and inserting ``a series of research and evaluation initiatives for each ***year*** for which funds are appropriated to carry out this Act, which are aligned with the plan in subsection (c)(2),''; (III) by striking ``Carl D. Perkins Career and Technical Education Improvement Act of 2006'' and inserting ``Strengthening Career and Technical Education for the 21st Century Act''; and (IV) by adding at the end the following: ``Whenever possible, data used for the evaluation for a fiscal ***year*** shall be data from the most recent fiscal ***year*** for which such data are available, and from the 5-***year*** period preceding that fiscal ***year***.''; and (iii) by amending subparagraph (B) to read as follows: ``(B) Contents.--The evaluation required under subparagraph (A) shall include descriptions and evaluations of-- ``(i) the extent and success of the integration of challenging State academic standards adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 and career and technical education for students participating in career and technical education ***programs***, including a review of the effect of such integration on the academic and technical proficiency achievement of such students, including-- ``(I) the number of such students that receive a regular high school diploma, as such term is defined under section 8101 of the Elementary and Secondary Education Act of 1965 or a State-defined alternative diploma described in section 8101(25)(A)(ii)(I)(bb) of such Act; ``(II) the number of such students that are high school students that receive a recognized postsecondary credential; and ``(III) the number of such students that are high school students that earn credit toward a recognized postsecondary credential; ``(ii) the extent to which career and technical education ***programs*** and ***programs*** of study prepare students, including special populations, for subsequent employment in high-skill, high-wage occupations (including those in which mathematics and science skills are critical, which may include computer science), or for participation in postsecondary education; ``(iii) employer involvement in, benefit from, and satisfaction with, career and technical education ***programs*** and ***programs*** of study and career and technical education students' preparation for employment; ``(iv) efforts to expand access to career and technical education ***programs*** of study for all students; ``(v) innovative approaches to work-based learning ***programs*** that increase participation and alignment with employment in high-growth industries, including in rural and low-income areas; ``(vi) the effectiveness of different delivery systems and approaches for career and technical education, including comprehensive high schools, technical high schools, area technical centers, career academies, community and technical colleges, early college high schools, pre-apprenticeship ***programs***, voluntary after-school ***programs***, and individual course offerings, including dual or concurrent enrollment ***program*** courses, as well as communication strategies for promoting career and technical education opportunities involving teachers, school counselors, and parents or other guardians; ``(vii) the extent to which career and technical education ***programs*** supported by this Act are grounded on evidence-based research; ``(viii) the impact of the amendments to this Act made under the Strengthening Career and Technical Education for the 21st Century Act, including comparisons, where appropriate, of-- ``(I) the use of the comprehensive needs assessment under section 134(c); ``(II) the implementation of ***programs*** of study; and ``(III) coordination of planning and ***program*** delivery with other relevant laws, including the Workforce Innovation and Opportunity Act (29 U.S.C 3101 et seq.) and the Elementary and Secondary Education Act of 1965; ``(ix) changes in career and technical education ***program*** accountability as described in section 113 and any effects of such changes on ***program*** delivery and ***program*** quality; ``(x) changes in student enrollment patterns; and ``(xi) efforts to reduce disparities or performance gaps described in section 113(b)(3)(C)(ii)(II).''; and (iv) in subparagraph (C)-- (I) in clause (i)-- (aa) in the matter preceding subclause (I), by inserting ``, in consultation with the Director,'' after ``The Secretary''; and (bb) by striking subclauses (I) and (II) and inserting the following: ``(I) not later than 2 ***years*** after the date of enactment of the Strengthening Career and Technical Education for the 21st Century Act, an interim report regarding the evaluation and summary of research activities carried out under this section that builds on studies and analyses existing as of such date of enactment; ``(II) not later than 4 ***years*** after the date of enactment of the Strengthening Career and Technical Education for the 21st Century Act, a final report summarizing the studies and analyses that relate to the evaluation and summary of research activities carried out under this section; and ``(III) a biennial update to such final report for succeeding ***years***.''; (II) in clause (ii), by inserting ``the Director,'' after ``the President, the Secretary,'' each place the term appears; and [[Page H7182]] (III) by adding after clause (ii) the following: ``(iii) Dissemination.--In addition to submitting the reports required under clause (i), the Secretary shall disseminate the results of the evaluation widely and on a timely basis in order to increase the understanding among State and local officials and educators of the effectiveness of ***programs*** and activities supported under the Act and of the career and technical education ***programs*** and ***programs*** of study that are most likely to produce positive educational and employment outcomes.''; (C) in subparagraph (3)(A), by striking ``State adjusted levels of performance described in section 113(b)'' and inserting ``State determined levels of performance described in section 113(b), as long as such information does not reveal any personally identifiable information''; and (D) by striking paragraphs (4) and (5) and inserting the following: ``(4) Research.-- ``(A) In general.--From amounts made available under subsection (f), the Secretary, after consultation with the Director, the Commissioner for Education Research, and the States, and with input from the independent advisory panel established under subsection (d)(1)(A), shall award a grant, contract, or cooperative agreement, on a competitive basis, to an institution of higher education or to a consortium of one or more institutions of higher education and one or more private nonprofit organizations or agencies, to carry out one or more of the activities described in subparagraph (B). ``(B) Grant activities.--An institution or consortium receiving a grant under this paragraph shall use grant funds to carry out one or more of the following activities: ``(i) Evidence-based research and evaluation for the purpose of developing, improving, and identifying the most successful methods for-- ``(I) eliminating inequities in access to, and in opportunities for, learning, skill development, or effective teaching in career and technical education ***programs***; and ``(II) addressing the education, employment, and training needs of CTE participants, including special populations, in career and technical education ***programs*** or ***programs*** of study. ``(ii) Research on, and evaluation of, the impact of changes made by the Strengthening Career and Technical Education for the 21st Century Act, including State-by-State comparisons, where appropriate, of-- ``(I) the use of the needs assessment under section 134(c); ``(II) the implementation of ***programs*** of study; ``(III) how States have implemented provisions of the Act, including both fiscal and programmatic elements; ``(IV) career and technical education funding and finance models; and ``(V) coordination with other relevant laws, including the Workforce Innovation and Opportunity Act (29 U.S.C 3101 et seq.), the Elementary and Secondary Education Act of 1965, and the Higher Education Act of 1965. ``(iii) Evidence-based research and analyses that provide longitudinal information with respect to career and technical education ***programs*** and ***programs*** of study and student achievement. ``(iv) The implementation of, evaluation of, or evidence- based research of, innovative methods that support high- quality implementation of career and technical education ***programs*** and ***programs*** of study and student achievement related to career and technical education, including-- ``(I) creating or expanding dual or concurrent enrollment ***program*** activities and early college high schools; ``(II) awarding of academic credit or academic alignment for industry recognized credentials, competency-based education, or work-based learning; ``(III) making available open, searchable, and comparable information on the quality of industry recognized credentials, including the related skills or competencies, attainment by CTE concentrators, related employment and earnings outcomes, labor market value, and use by employers; or ``(IV) initiatives to facilitate the transition of sub- baccalaureate career and technical education students into baccalaureate degree ***programs***, including barriers affecting rural students and special populations. ``(C) Report.--The institution or consortium receiving a grant under this paragraph shall annually prepare a report containing information about the key research findings of such entity under this paragraph and shall submit copies of the report to the Secretary and the Director. The Secretary shall submit copies of the report to the relevant committees of Congress, the Library of Congress, and each eligible agency. ``(D) Dissemination.--The institution or consortium receiving a grant under this paragraph shall conduct dissemination and training activities based on the research carried out under this paragraph on a timely basis, including through dissemination networks and, as appropriate and relevant, technical assistance providers within the Department.''; (5) by redesignating subsection (e) as subsection (f); (6) by inserting after subsection (d) the following: ``(e) Innovation and Modernization.-- ``(1) Grant ***program***.--To identify, support, and rigorously evaluate evidence-based and innovative strategies and activities to improve and modernize career and technical education and align workforce skills with labor market needs as part of the State plan under section 122 and local application under section 134 and the requirements of this subsection, the Secretary may use not more than 20 percent of the amounts appropriated under subsection (f) to award grants to eligible entities, eligible institutions, or eligible recipients to carry out the activities described in paragraph (7). ``(2) Non-federal match.-- ``(A) Matching funds required.--Except as provided under subparagraph (B), to receive a grant under this subsection, an eligible entity, eligible institution, or eligible recipient shall, through cash or in-kind contributions, provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the funds provided under such grant. ``(B) Exception.--The Secretary may waive the matching fund requirement under subparagraph (A) if the eligible entity, eligible institution, or eligible recipient demonstrates exceptional circumstances. ``(3) Application.--To receive a grant under this subsection, an eligible entity, eligible institution, or eligible recipient shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including, at a minimum-- ``(A) an identification and designation of the agency, institution, or school responsible for the administration and supervision of the ***program*** assisted under this paragraph; ``(B) a description of the budget for the project, the source and amount of the matching funds required under paragraph (2)(A), and how the applicant will continue the project after the grant period ends, if applicable; ``(C) a description of how the applicant will use the grant funds, including how such funds will directly benefit students, including special populations, served by the applicant; ``(D) a description of how the ***program*** assisted under this subsection will be coordinated with the activities carried out under section 124 or 135; ``(E) a description of how the career and technical education ***programs*** or ***programs*** of study to be implemented with grant funds reflect the needs of regional, State, or local employers, as demonstrated by the comprehensive needs assessment under section 134(c); ``(F) a description of how the ***program*** assisted under this subsection will be evaluated and how that evaluation may inform the report described in subsection (d)(2)(C); and ``(G) an assurance that the applicant will-- ``(i) provide information to the Secretary, as requested, for evaluations that the Secretary may carry out; and ``(ii) make data available to third parties for validation, in accordance with applicable data privacy laws, including section 444 of the General Education Provisions Act (20 U.S.C 1232g, commonly known as the `Family Educational Rights and Privacy Act of 1974'). ``(4) Priority.--In awarding grants under this subsection, the Secretary shall give priority to applications from eligible entities, eligible institutions, or eligible recipients that will predominantly serve students from low- income families. ``(5) Geographic diversity.-- ``(A) In general.--In awarding grants under this subsection, the Secretary shall award no less than 25 percent of the total available funds for any fiscal ***year*** to eligible entities, eligible institutions, or eligible recipients proposing to fund career and technical education activities that serve-- ``(i) a local educational agency with an urban-centric district locale code of 32, 33, 41, 42, or 43, as determined by the Secretary; ``(ii) an institution of higher education primarily serving the one or more areas served by such a local educational agency; ``(iii) a consortium of such local educational agencies or such institutions of higher education; ``(iv) a partnership between-- ``(I) an educational service agency or a nonprofit organization; and ``(II) such a local educational agency or such an institution of higher education; or ``(v) a partnership between-- ``(I) a grant recipient described in clause (i) or (ii); and ``(II) a State educational agency. ``(B) Exception.--Notwithstanding subparagraph (A), the Secretary shall reduce the amount of funds made available under such clause if the Secretary does not receive a sufficient number of applications of sufficient quality. ``(6) Duration.-- ``(A) In general.--Grants awarded under this subsection shall be for a period of not more than 3 ***years***. ``(B) Extension.--The Secretary may extend such grants for not more than 1 additional 2-***year*** period if the grantee demonstrates to the Secretary that the grantee is achieving the grantee's ***program*** objectives and, as applicable, has improved education outcomes for career and technical education students, including special populations. ``(7) Uses of funds.--An eligible entity, eligible institution, or eligible recipient that is awarded a grant under this subsection shall use the grant funds to create, develop, implement, replicate, or take to scale evidence- based, field-initiated innovations to modernize and improve effectiveness and alignment of career and technical education and to improve student outcomes in career and technical education, and rigorously evaluate such innovations, through one or more of the following activities: ``(A) Designing and implementing courses or ***programs*** of study aligned to labor market needs in new or emerging fields and working with industry to upgrade equipment, technology, and related curriculum used in career and technical education ***programs***, which is needed for the development, expansion, and implementation of State-approved career and technical education ***programs*** of study, including-- ``(i) the development or acquisition of instructional materials associated with the equipment and technology purchased by an eligible entity, eligible institution, or eligible recipient through the grant; or [[Page H7183]] ``(ii) efforts to expand, develop, or implement ***programs*** designed to increase opportunities for students to take rigorous courses in coding or computer science subject areas, and support for statewide efforts to increase access and implementation of coding or computer science courses in order to meet local labor market needs in occupations that require skills in those subject areas. ``(B) Improving career and technical education outcomes of students served by eligible entities, eligible institutions, or eligible recipients through activities such as-- ``(i) supporting the development and enhancement of innovative delivery models for career and technical education related work-based learning, including school-based simulated work sites, mentoring, work site visits, job shadowing, project-based learning, and skills-based and paid internships; ``(ii) increasing the effective use of technology within career and technical education ***programs*** and ***programs*** of study; ``(iii) supporting new models for integrating academic content at the secondary and postsecondary level in career and technical education; or ``(iv) integrating science, technology, engineering, and mathematics fields, including computer science education, with career and technical education. ``(C) Improving the transition of students-- ``(i) from secondary education to postsecondary education or employment through ***programs***, activities, or services that may include the creation, development, or expansion of dual or concurrent enrollment ***programs***, articulation agreements, credit ***transfer*** agreements, and competency-based education; or ``(ii) from the completion of one postsecondary ***program*** to another postsecondary ***program*** that awards a recognized postsecondary credential. ``(D) Supporting the development and enhancement of innovative delivery models for career and technical education. ``(E) Working with industry to design and implement courses or ***programs*** of study aligned to labor market needs in new or emerging fields. ``(F) Supporting innovative approaches to career and technical education by redesigning the high school experience for students, which may include evidence-based transitional support strategies for students who have not met postsecondary education eligibility requirements. ``(G) Creating or expanding recruitment, retention, or professional development activities for career and technical education teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, and paraprofessionals, which may include-- ``(i) providing resources and training to improve instruction for, and provide appropriate accommodations to, special populations; ``(ii) externships or site visits with business and industry; ``(iii) the integration of coherent and rigorous academic content standards and career and technical education curricula, including through opportunities for appropriate academic and career and technical education teachers to jointly develop and implement curricula and pedagogical strategies; ``(iv) mentoring by experienced teachers; ``(v) providing resources or assistance with meeting State teacher licensure and credential requirements; or ``(vi) training for career guidance and academic counselors at the secondary level to improve awareness of postsecondary education and postsecondary career options, and improve the ability of such counselors to communicate to students the career opportunities and employment trends. ``(H) Improving CTE concentrator employment outcomes in non-traditional fields. ``(I) Supporting the use of career and technical education ***programs*** and ***programs*** of study in a coordinated strategy to address identified employer needs and workforce shortages, such as shortages in the early childhood, elementary school, and secondary school education workforce. ``(J) Providing integrated student support that addresses the comprehensive needs of students, such as incorporating accelerated and differentiated learning opportunities supported by evidence-based strategies for special populations. ``(K) Establishing an online portal for career and technical education students, including special populations, preparing for postsecondary career and technical education, which may include opportunities for mentoring, gaining financial literacy skills, and identifying career opportunities and interests, and a platform to establish online savings accounts to be used exclusively for postsecondary career and technical education ***programs*** and ***programs*** of study. ``(L) Developing and implementing a pay for success initiative. ``(8) Evaluation.--Each eligible entity, eligible institution, or eligible recipient receiving a grant under this subsection shall provide for an independent evaluation of the activities carried out using such grant and submit to the Secretary an annual report that includes-- ``(A) a description of how funds received under this paragraph were used; ``(B) the performance of the eligible entity, eligible institution, or eligible recipient with respect to, at a minimum, the performance indicators described under section 113, as applicable, and disaggregated by-- ``(i) subgroups of students described in section 1111(c)(2)(B) of the Elementary and Secondary Education Act of 1965; ``(ii) special populations; and ``(iii) as appropriate, each career and technical education ***program*** and ***program*** of study; and ``(C) a quantitative analysis of the effectiveness of the project carried out under this paragraph.''; and (7) by amending subsection (f), as redesignated by paragraph (5), to read as follows: ``(f) Authorization of Appropriations.--There are authorized to be appropriated to carry out this section-- ``(1) $7,651,051 for fiscal ***year*** 2019; ``(2) $7,758,166 for fiscal ***year*** 2020; ``(3) $7,866,780 for fiscal ***year*** 2021; ``(4) $7,976,915 for fiscal ***year*** 2022; ``(5) $8,088,592 for fiscal ***year*** 2023; and ``(6) $8,201,832 for fiscal ***year*** 2024.''. SEC. 114. ASSISTANCE FOR THE OUTLYING AREAS. Section 115 (20 U.S.C 2325) is amended-- (1) in subsection (a)(3), by striking ``subject to subsection (d)'' and inserting ``subject to subsection (b)''; (2) by striking subsections (b) and (c); and (3) by redesignating subsection (d) as subsection (b). SEC. 115. NATIVE AMERICAN ***PROGRAMS***. Section 116 (20 U.S.C 2326) is amended-- (1) in subsection (a)-- (A) in paragraph (1), in the paragraph heading, by striking ``native'' and inserting ``Native''; (B) by striking paragraph (3); (C) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; (D) in paragraph (3) (as redesignated by subparagraph (C)), in the paragraph heading, by striking ``hawaiian'' and inserting ``Hawaiian''; and (E) in paragraph (4) (as redesignated by subparagraph (C))-- (i) in the paragraph heading, by striking ``hawaiian'' and inserting ``Hawaiian''; and (ii) by inserting ``(20 U.S.C 7517)'' after ``Act''; (2) in subsection (b)-- (A) in paragraph (1)-- (i) by striking ``tribes'' and inserting ``Tribes''; and (ii) by striking ``tribal'' and inserting ``Tribal''; (B) in paragraph (2)-- (i) by striking the paragraph heading and inserting ``Indian tribes and tribal organizations.--''; (ii) by striking ``Indian tribe or tribal organization'' and inserting ``Indian Tribe or Tribal organization''; (iii) by striking ``450f'' and inserting ``5321''; and (iv) by striking ``455-457'' and inserting ``5345-5347''; (C) in paragraph (3)-- (i) in the paragraph heading, by striking ``bureau of indian affairs'' and inserting ``Bureau of indian education''; (ii) by striking ``tribe'' and inserting ``Tribe''; (iii) by striking ``tribal'' and inserting ``Tribal''; and (iv) by striking ``Bureau of Indian Affairs'' and inserting ``Bureau of Indian Education''; (D) in paragraph (4)-- (i) by striking ``Bureau of Indian Affairs'' each place the term appears and inserting ``Bureau of Indian Education''; and (ii) by striking ``Assistant Secretary of the Interior for Indian Affairs'' and inserting ``Director of the Bureau of Indian Education''; (E) in paragraph (5)(A), by striking ``Indian tribes, tribal organizations, and individual tribal members'' and inserting ``Indian Tribes, Tribal organizations, and individual Tribal members''; and (F) in paragraph (6)-- (i) by striking ``tribe'' each place the term appears and inserting ``Tribe''; and (ii) by striking ``tribal'' each place the term appears and inserting ``Tribal''; (3) in subsection (c)-- (A) by redesignating paragraph (2) as paragraph (3); and (B) by inserting after paragraph (1) the following: ``(2) Special rule.--Notwithstanding section 3(5)(A)(iii), funds made available under this section may be used to provide preparatory, refresher, and remedial education services that are designed to enable students to achieve success in career and technical education ***programs*** or ***programs*** of study.''; (4) in subsection (d), by striking ``tribe'' each place the term appears and inserting ``Tribe''; (5) in subsection (e)(1), by striking ``tribal'' and inserting ``Tribal''; (6) in subsection (f), by striking ``tribe'' and inserting ``Tribe''; and (7) in subsection (g), by striking ``tribe'' each place the term appears and inserting ``Tribe''. SEC. 116. TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTIONS. Section 117 (20 U.S.C 2327) is amended-- (1) in subsection (a)(2), by striking ``(25 U.S.C 640a et seq.)'' and inserting ``(Public Law 92-189; 85 Stat. 646)''; (2) in subsection (d), by striking ``(25 U.S.C 640a et seq.)'' and inserting ``(Public Law 92-189; 85 Stat. 646)''; (3) in subsection (f)(3), by striking ``tribe'' each place the term appears and inserting ``Tribe''; (4) in subsection (h)-- (A) in the paragraph heading, by striking ``indian tribe'' and inserting ``Indian tribe''; and (B) by striking ``terms `Indian' and `Indian tribe' have the meanings given the terms in'' and inserting ``terms `Indian' and `Indian Tribe' have the meanings given the terms `Indian' and `Indian tribe', respectively, in''; and (5) by striking subsection (i) and inserting the following: ``(i) Authorization of Appropriations.--There are authorized to be appropriated to carry out this section-- ``(1) $9,762,539 for fiscal ***year*** 2019; [[Page H7184]] ``(2) $9,899,215 for fiscal ***year*** 2020; ``(3) $10,037,804 for fiscal ***year*** 2021; ``(4) $10,178,333 for fiscal ***year*** 2022; ``(5) $10,320,829 for fiscal ***year*** 2023; and ``(6) $10,465,321 for fiscal ***year*** 2024.''. SEC. 117. OCCUPATIONAL AND EMPLOYMENT INFORMATION. Section 118 (20 U.S.C 2328) is repealed. PART B--STATE PROVISIONS SEC. 121. STATE ADMINISTRATION. Section 121(a)(2) (20 U.S.C 2341(a)(2)) is amended by striking ``parents'' and all that follows through the end of the paragraph and inserting ``teachers, faculty, specialized instructional support personnel, paraprofessionals, school leaders, authorized public chartering agencies and charter school leaders (consistent with State law), employers, representatives of business (including small businesses), labor organizations, eligible recipients, local ***program*** administrators, State and local officials, Indian Tribes or Tribal organizations present in the State, parents, students, and community organizations;''. SEC. 122. STATE PLAN. Section 122 (20 U.S.C 2342) is amended-- (1) in subsection (a)-- (A) in paragraph (1)-- (i) by striking ``6-***year*** period,'' and inserting ``4-***year*** period, consistent with subsection (b) and paragraph (5),''; and (ii) by striking ``Carl D. Perkins Career and Technical Education Improvement Act of 2006'' and inserting ``Strengthening Career and Technical Education for the 21st Century Act''; (B) in paragraph (2)(B), by striking ``6-***year*** period'' and inserting ``4-***year*** period''; (C) in paragraph (3), by striking ``(including charter school'' and all that follows through ``and community organizations)'' and inserting ``(including teachers, faculty, specialized instructional support personnel, paraprofessionals, school leaders, authorized public chartering agencies and charter school leaders (consistent with State law), employers, labor organizations, parents, students, Indian Tribes and Tribal organizations that may be present in the State, and community organizations)''; and (D) by adding at the end the following: ``(4) Public comment.--Each eligible agency shall make the State plan publicly available for public comment for a period of not less than 30 days, by electronic means and in an easily accessible format, prior to submission to the Secretary for approval under this subsection. In the plan the eligible agency files under this subsection, the eligible agency shall provide an assurance that public comments were taken into account in the development of the State plan. ``(5) Optional submission of subsequent plans.--An eligible agency may, after the first 4-***year*** State plan is submitted under this section, submit subsequent 4-***year*** plans not later than 120 days prior to the end of the 4-***year*** period covered by the preceding State plan or, if an eligible agency chooses not to submit a State plan for a subsequent 4-***year*** period, the eligible agency shall submit, and the Secretary shall approve, annual revisions to the State determined levels of performance in the same manner as revisions submitted and approved under section 113(b)(3)(A)(ii).''; and (2) by striking subsections (b) through (e) and inserting the following: ``(b) Options for Submission of State Plan.-- ``(1) Combined plan.--The eligible agency may submit a combined plan that meets the requirements of this section and the requirements of section 103 of the Workforce Innovation and Opportunity Act (29 U.S.C 3113). ``(2) Notice to secretary.--The eligible agency shall inform the Secretary of whether the eligible agency intends to submit a combined plan described in paragraph (1) or a single plan. ``(c) Plan Development.-- ``(1) In general.--The eligible agency shall-- ``(A) develop the State plan in consultation with-- ``(i) representatives of secondary and postsecondary career and technical education ***programs***, including eligible recipients and representatives of 2-***year*** minority-serving institutions and historically Black colleges and universities and tribally controlled colleges or universities in States where such institutions are in existence, adult career and technical education providers, and charter school representatives in States where such schools are in existence, which shall include teachers, faculty, school leaders, specialized instructional support personnel, career and academic guidance counselors, and paraprofessionals; ``(ii) interested community representatives, including parents, students, and community organizations; ``(iii) representatives of the State workforce development board established under section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C 3111) (referred to in this section as the `State board'); ``(iv) members and representatives of special populations; ``(v) representatives of business and industry (including representatives of small business), which shall include representatives of industry and sector partnerships in the State, as appropriate, and representatives of labor organizations in the State; ``(vi) representatives of agencies serving out-of-school youth, homeless children and youth, and at-risk youth, including the State Coordinator for Education of Homeless Children and Youths established or designated under section 722(d)(3) of the McKinney-Vento Homeless Assistance Act (42 U.S.C 11432(d)(3)); ``(vii) representatives of Indian Tribes and Tribal organizations located in, or providing services in, the State; and ``(viii) individuals with disabilities; and ``(B) consult the Governor of the State, and the heads of other State agencies with authority for career and technical education ***programs*** that are not the eligible agency, with respect to the development of the State plan. ``(2) Activities and procedures.--The eligible agency shall develop effective activities and procedures, including access to information needed to use such procedures, to allow the individuals and entities described in paragraph (1) to participate in State and local decisions that relate to development of the State plan. ``(3) Consultation with the governor.--The consultation described in paragraph (1)(B) shall include meetings of officials from the eligible agency and the Governor's office and shall occur-- ``(A) during the development of such plan; and ``(B) prior to submission of the plan to the Secretary. ``(d) Plan Contents.--The State plan shall include-- ``(1) a summary of State-supported workforce development activities (including education and training) in the State, including the degree to which the State's career and technical education ***programs*** and ***programs*** of study are aligned with and address the education and skill needs of the employers in the State identified by the State board; ``(2) the State's strategic vision and set of goals for preparing an educated and skilled workforce (including special populations) and for meeting the skilled workforce needs of employers, including in existing and emerging in- demand industry sectors and occupations as identified by the State, and how the State's career and technical education ***programs*** will help to meet these goals; ``(3) a strategy for any joint planning, alignment, coordination, and leveraging of funds-- ``(A) between the State's career and technical education ***programs*** and ***programs*** of study with the State's workforce development system, to achieve the strategic vision and goals described in paragraph (2), including the core ***programs*** defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102) and the elements related to system alignment under section 102(b)(2)(B) of such Act (29 U.S.C 3112(b)(2)(B)); and ``(B) for ***programs*** carried out under this title with other Federal ***programs***, which may include ***programs*** funded under the Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965; ``(4) a description of the career and technical education ***programs*** or ***programs*** of study that will be supported, developed, or improved at the State level, including descriptions of-- ``(A) the ***programs*** of study to be developed at the State level and made available for adoption by eligible recipients; ``(B) the process and criteria to be used for approving locally developed ***programs*** of study or career pathways, including how such ***programs*** address State workforce development and education needs and the criteria to assess the extent to which the local application under section 132 will-- ``(i) promote continuous improvement in academic achievement and technical skill attainment; ``(ii) expand access to career and technical education for special populations; and ``(iii) support the inclusion of employability skills in ***programs*** of study and career pathways; ``(C) how the eligible agency will-- ``(i) make information on approved ***programs*** of study and career pathways (including career exploration, work-based learning opportunities, early college high schools, and dual or concurrent enrollment ***program*** opportunities) and guidance and advisement resources, available to students (and parents, as appropriate), representatives of secondary and postsecondary education, and special populations, and to the extent practicable, provide that information and those resources in a language students, parents, and educators can understand; ``(ii) facilitate collaboration among eligible recipients in the development and coordination of career and technical education ***programs*** and ***programs*** of study and career pathways that include multiple entry and exit points; ``(iii) use State, regional, or local labor market data to determine alignment of eligible recipients' ***programs*** of study to the needs of the State, regional, or local economy, including in-demand industry sectors and occupations identified by the State board, and to align career and technical education with such needs, as appropriate; ``(iv) ensure equal access to approved career and technical education ***programs*** of study and activities assisted under this Act for special populations; ``(v) coordinate with the State board to support the local development of career pathways and articulate processes by which career pathways will be developed by local workforce development boards, as appropriate; ``(vi) support effective and meaningful collaboration between secondary schools, postsecondary institutions, and employers to provide students with experience in, and understanding of, all aspects of an industry, which may include work-based learning such as internships, mentorships, simulated work environments, and other hands-on or inquiry- based learning activities; and ``(vii) improve outcomes and reduce performance gaps for CTE concentrators, including those who are members of special populations; and ``(D) how the eligible agency may include the opportunity for secondary school students to participate in dual or concurrent enrollment ***programs***, early college high school, or competency-based education; ``(5) a description of the criteria and process for how the eligible agency will approve eligible [[Page H7185]] recipients for funds under this Act, including how-- ``(A) each eligible recipient will promote academic achievement; ``(B) each eligible recipient will promote skill attainment, including skill attainment that leads to a recognized postsecondary credential; and ``(C) each eligible recipient will ensure the comprehensive needs assessment under section 134(c) takes into consideration local economic and education needs, including, where appropriate, in-demand industry sectors and occupations; ``(6) a description of how the eligible agency will support the recruitment and preparation of teachers, including special education teachers, faculty, school principals, administrators, specialized instructional support personnel, and paraprofessionals to provide career and technical education instruction, leadership, and support, including professional development that provides the knowledge and skills needed to work with and improve instruction for special populations; ``(7) a description of how the eligible agency will use State leadership funds under section 124; ``(8) a description of how funds received by the eligible agency through the allotment made under section 111 will be distributed-- ``(A) among career and technical education at the secondary level, or career and technical education at the postsecondary and adult level, or both, including how such distribution will most effectively provide students with the skills needed to succeed in the workplace; and ``(B) among any consortia that may be formed among secondary schools and eligible institutions, and how funds will be distributed among the members of the consortia, including the rationale for such distribution and how it will most effectively provide students with the skills needed to succeed in the workplace; ``(9) a description of the eligible agency's ***program*** strategies for special populations, including a description of how individuals who are members of special populations-- ``(A) will be provided with equal access to activities assisted under this Act; ``(B) will not be discriminated against on the basis of status as a member of a special population; ``(C) will be provided with ***programs*** designed to enable individuals who are members of special populations to meet or exceed State determined levels of performance described in section 113, and prepare special populations for further learning and for high-skill, high-wage, or in-demand industry sectors or occupations; ``(D) will be provided with appropriate accommodations; and ``(E) will be provided instruction and work-based learning opportunities in integrated settings that support competitive, integrated employment; ``(10) a description of the procedure the eligible agency will adopt for determining State determined levels of performance described in section 113, which, at a minimum, shall include-- ``(A) a description of the process for public comment under section 113(b)(3)(B) as part of the development of the State determined levels of performance under section 113(b); ``(B) an explanation of the State determined levels of performance; and ``(C) a description of how the State determined levels of performance set by the eligible agency align with the levels, goals, and objectives of other Federal and State laws; ``(11) a description of how the eligible agency will address disparities or gaps in performance, as described in section 113(b)(3)(C)(ii)(II), in each of the plan ***years***, and if no meaningful progress has been achieved prior to the third ***program*** ***year***, a description of the additional actions the eligible agency will take to eliminate these disparities or gaps; ``(12) describes how the eligible agency will involve parents, academic and career and technical education teachers, administrators, faculty, career guidance and academic counselors, local business (including small businesses), labor organizations, and representatives of Indian Tribes and Tribal organizations, as appropriate, in the planning, development, implementation, and evaluation of such career and technical education ***programs***; and ``(13) assurances that-- ``(A) the eligible agency will comply with the requirements of this Act and the provisions of the State plan, including the provision of a financial audit of funds received under this Act, which may be included as part of an audit of other Federal or State ***programs***; ``(B) none of the funds expended under this Act will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interests of the acquiring entity or the employees of the acquiring entity, or any affiliate of such an organization; ``(C) the eligible agency will use the funds to promote preparation for high-skill, high-wage, or in-demand industry sectors or occupations and non-traditional fields, as identified by the eligible agency; ``(D) the eligible agency will use the funds provided under this Act to implement career and technical education ***programs*** and ***programs*** of study for individuals in State correctional institutions, including juvenile justice facilities; and ``(E) the eligible agency will provide local educational agencies, area career and technical education schools, and eligible institutions in the State with technical assistance, including technical assistance on how to close gaps in student participation and performance in career and technical education ***programs***; and ``(14) a description of the opportunities for the public to comment in person and in writing on the State plan under this subsection. ``(e) Consultation.-- ``(1) In general.--The eligible agency shall develop the portion of each State plan relating to the amount and uses of any funds proposed to be reserved for adult career and technical education, postsecondary career and technical education, and secondary career and technical education after consultation with-- ``(A) the State agency responsible for supervision of community colleges, technical institutes, other 2-***year*** postsecondary institutions primarily engaged in providing postsecondary career and technical education, or, where applicable, institutions of higher education that are engaged in providing postsecondary career and technical education as part of their mission; ``(B) the State agency responsible for secondary education; and ``(C) the State agency responsible for adult education. ``(2) Objections of state agencies.--If a State agency other than the eligible agency finds that a portion of the final State plan is objectionable, that objection shall be filed together with the State plan. The eligible agency shall respond to any objections of such State agency in the State plan submitted to the Secretary. ``(3) Joint signature authority.--A Governor shall have 30 days prior to the eligible agency submitting the State plan to the Secretary to sign such plan. If the Governor has not signed the plan within 30 days of delivery by the eligible agency to the Governor, the eligible agency shall submit the plan to the Secretary without such signature. ``(f) Plan Approval.-- ``(1) In general.--Not later than 120 days after the eligible agency submits its State plan, the Secretary shall approve such State plan, or a revision of the plan under subsection (a)(2) (including a revision of State determined levels of performance in accordance with section 113(b)(3)(A)(iii)), if the Secretary determines that the State has submitted in its State plan State determined levels of performance that meet the criteria established in section 113(b)(3), including the minimum requirements described in section 113(b)(3)(A)(i)(III), unless the Secretary-- ``(A) determines that the State plan does not meet the requirements of this Act, including the minimum requirements as described in section 113(b)(3)(A)(i)(III); and ``(B) meets the requirements of paragraph (2) with respect to such plan. ``(2) Disapproval.--The Secretary-- ``(A) shall have the authority to disapprove a State plan only if the Secretary-- ``(i) determines how the State plan fails to meet the requirements of this Act; and ``(ii) provides to the eligible agency, in writing, notice of such determination and the supporting information and rationale to substantiate such determination; and ``(B) shall not finally disapprove a State plan, except after making the determination and providing the information described in subparagraph (A), and giving the eligible agency notice and an opportunity for a hearing.''. SEC. 123. IMPROVEMENT PLANS. Section 123 (20 U.S.C 2343) is amended-- (1) in subsection (a)-- (A) in paragraph (1)-- (i) by striking ``percent of an agreed upon'' and inserting ``percent of the''; (ii) by striking ``State adjusted level of performance'' and inserting ``State determined level of performance'' each place the term appears; (iii) by striking ``section 113(b)(3)'' and inserting ``113(b)(2) for all CTE concentrators''; (iv) by striking ``(with special consideration to performance gaps identified under section 113(c)(2))'' and inserting ``(that includes an analysis of the performance disparities or gaps identified under section 113(b)(3)(C)(ii)(II), and actions that will be taken to address such gaps)''; (B) in paragraph (2)-- (i) by striking ``State's adjusted levels of performance'' and inserting ``State determined levels of performance''; and (ii) by striking ``purposes of this Act'' and inserting ``purposes of this section, including after implementation of the improvement plan described in paragraph (1),''; (C) in paragraph (3)(A)-- (i) in clause (i), by inserting ``or'' after the semicolon; and (ii) by striking clauses (ii) and (iii) and inserting the following: ``(ii) with respect to any specific core indicator of performance that was identified in a ***program*** improvement plan under paragraph (1), fails to meet at least 90 percent of a State determined level of performance for such core indicator for 2 consecutive ***years*** after the eligible agency has been identified for improvement under such paragraph.''; and (D) by adding at the end the following: ``(5) Adjustments prohibited.--An eligible agency shall not be eligible to adjust performance levels while executing an improvement plan under this section.''; and (2) in subsection (b)-- (A) by striking ``adjusted'' each place the term appears; (B) in paragraph (2)-- (i) by inserting ``for all CTE concentrators'' after ``section 113(b)(4)''; and (ii) by striking ``(with special consideration to performance gaps identified under section 113(b)(4)(C)(ii)(II) in consultation with the eligible agency,'' and inserting ``(that includes an analysis of the performance disparities or gaps identified under section 113(b)(3)(C)(ii)(II), and actions that will be taken to address such gaps) in consultation with local stakeholders described in section 134(d)(1), the eligible agency, and''; (C) in paragraph (4)-- [[Page H7186]] (i) in subparagraph (A)-- (I) in clause (i), by inserting ``or'' after the semicolon; and (II) by striking clauses (ii) and (iii) and inserting the following: ``(ii) with respect to any specific core indicator of performance that was identified in a ***program*** improvement plan under paragraph (2), fails to meet at least 90 percent of the local level of performance for such core indicator for 2 consecutive ***years*** after the eligible recipient has been identified for improvement under such paragraph.''; and (ii) in subparagraph (B)-- (I) in clause (i), by striking ``or'' after the semicolon; (II) in clause (ii), by striking the period at the end and inserting ``; or''; and (III) by adding at the end the following: ``(iii) in response to a public request from an eligible recipient, if the eligible agency determines that the requirements described in clause (i) or (ii) have been met.''; and (D) by adding at the end the following: ``(6) Adjustments prohibited.--An eligible recipient shall not be eligible to adjust performance levels while executing an improvement plan under this section.''. SEC. 124. STATE LEADERSHIP ACTIVITIES. Section 124 (20 U.S.C 2344) is amended-- (1) in subsection (a), by striking ``shall conduct State leadership activities.'' and inserting ``shall-- ``(1) conduct State leadership activities to improve career and technical education, which shall include support for-- ``(A) preparation for non-traditional fields in current and emerging professions, ***programs*** for special populations, and other activities that expose students, including special populations, to high-skill, high-wage, and in-demand occupations; ``(B) individuals in State institutions, such as State correctional institutions, including juvenile justice facilities, and educational institutions that serve individuals with disabilities; ``(C) recruiting, preparing, or retaining career and technical education teachers, faculty, specialized instructional support personnel, or paraprofessionals, such as preservice, professional development, or leadership development ***programs***; and ``(D) technical assistance for eligible recipients; and ``(2) report on the effectiveness of such use of funds in achieving the goals described in section 122(d)(2) and the State determined levels of performance described in section 113(b)(3)(A), and reducing disparities or performance gaps as described in section 113(b)(3)(C)(ii)(II).''; (2) in subsection (b)-- (A) in the subsection heading, by striking ``Required'' and inserting ``Permissible''; (B) in the matter preceding paragraph (1), by striking ``shall'' and inserting ``may''; and (C) by striking paragraphs (1) through (9) and inserting the following: ``(1) developing statewide ***programs*** of study, which may include standards, curriculum, and course development, and career exploration, guidance, and advisement activities and resources; ``(2) approving locally developed ***programs*** of study that meet the requirements established in section 122(d)(4)(B); ``(3) establishing statewide articulation agreements aligned to approved ***programs*** of study; ``(4) establishing statewide industry or sector partnerships among local educational agencies, institutions of higher education, adult education providers, Indian Tribes and Tribal organizations that may be present in the State, employers, including small businesses, and parents, as appropriate to-- ``(A) develop and implement ***programs*** of study aligned to State and local economic and education needs, including, as appropriate, in-demand industry sectors and occupations; ``(B) facilitate the establishment, expansion, and integration of opportunities for students at the secondary level to-- ``(i) successfully complete coursework that integrates rigorous and challenging technical and academic instruction aligned with the challenging State academic standards adopted by the State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965; and ``(ii) earn a recognized postsecondary credential or credit toward a recognized postsecondary credential, which may be earned through a dual or concurrent enrollment ***program*** or early college high school, at no cost to the student or the student's family; and ``(C) facilitate work-based learning opportunities (including internships, externships, and simulated work environments) into ***programs*** of study; ``(5) for teachers, faculty, specialized instructional support personnel, and paraprofessionals providing career and technical education instruction, support services, and specialized instructional support services, high-quality comprehensive professional development that is, to the extent practicable, grounded in evidence-based research (to the extent a State determines that such evidence is reasonably available) that identifies the most effective educator professional development process and is coordinated and aligned with other professional development activities carried out by the State (including under title II of the Elementary and Secondary Education Act of 1965 and title II of the Higher Education Act of 1965), including ***programming*** that-- ``(A) promotes the integration of the challenging State academic standards adopted by the State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 and relevant technical knowledge and skills, including ***programming*** jointly delivered to academic and career and technical education teachers; ``(B) prepares career and technical education teachers, faculty, specialized instructional support personnel, and paraprofessionals to provide appropriate accommodations for students who are members of special populations, including through the use of principles of universal design for learning, multi-tier systems of supports, and positive behavioral interventions and support; and ``(C) increases the ability of teachers, faculty, specialized instructional support personnel, and paraprofessionals providing career and technical education instruction to stay current with industry standards and earn an industry-recognized credential or license, as appropriate, including by assisting those with relevant industry experience in obtaining State teacher licensure or credential requirements; ``(6) supporting eligible recipients in eliminating inequities in student access to-- ``(A) high-quality ***programs*** of study that provide skill development; and ``(B) effective teachers, faculty, specialized instructional support personnel, and paraprofessionals; ``(7) awarding incentive grants to eligible recipients-- ``(A) for exemplary performance in carrying out ***programs*** under this Act, which awards shall be based on-- ``(i) eligible recipients exceeding the local level of performance on a core indicator of performance established under section 113(b)(4)(A) in a manner that reflects sustained or significant improvement; ``(ii) eligible recipients effectively developing connections between secondary education and postsecondary education and training; ``(iii) the integration of academic and technical standards; ``(iv) eligible recipients' progress in closing achievement gaps among subpopulations who participate in ***programs*** of study; or ``(v) other factors relating to the performance of eligible recipients under this Act as the eligible agency determines are appropriate; or ``(B) if an eligible recipient elects to use funds as permitted under section 135(c); ``(8) providing support for-- ``(A) the adoption and integration of recognized postsecondary credentials and work-based learning into ***programs*** of study, and for increasing data collection associated with recognized postsecondary credentials and employment outcomes; or ``(B) consultation and coordination with other State agencies for the identification and examination of licenses or certifications that-- ``(i) pose an unwarranted barrier to entry into the workforce for career and technical education students; and ``(ii) do not protect the health, safety, or welfare of consumers; ``(9) the creation, implementation, and support of pay for success initiatives leading to a recognized postsecondary credential; ``(10) support for career and technical education ***programs*** for adults and out-of-school youth concurrent with their completion of their secondary school education in a school or other educational setting; ``(11) the creation, evaluation, and support of competency- based curricula; ``(12) support for the development, implementation, and expansion of ***programs*** of study or career pathways in areas declared to be in a state of emergency under section 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5191); ``(13) partnering with qualified intermediaries to improve training, the development of public-private partnerships, systems development, capacity-building, and scalability of the delivery of high-quality career and technical education; ``(14) improvement of career guidance and academic counseling ***programs*** that assist students in making informed academic and career and technical education decisions, including academic and financial aid counseling; ``(15) support for the integration of employability skills into career and technical education ***programs*** and ***programs*** of study; ``(16) support for ***programs*** and activities that increase access, student engagement, and success in science, technology, engineering, and mathematics fields (including computer science, coding, and architecture), support for the integration of arts and design skills, and support for hands- on learning, particularly for students who are members of groups underrepresented in such subject fields, such as female students, minority students, and students who are members of special populations; ``(17) support for career and technical student organizations, especially with respect to efforts to increase the participation of students in nontraditional fields and students who are members of special populations; ``(18) support for establishing and expanding work-based learning opportunities that are aligned to career and technical education ***programs*** and ***programs*** of study; ``(19) integrating and aligning ***programs*** of study and career pathways; ``(20) supporting the use of career and technical education ***programs*** and ***programs*** of study aligned with State, regional, or local high-skill, high-wage, or in-demand industry sectors or occupations identified by the State workforce development board described in section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C 3111) or local workforce development boards; ``(21) making all forms of instructional content widely available, which may include use of open educational resources; ``(22) developing valid and reliable assessments of competencies and technical skills and enhancing data systems to collect and analyze data on secondary and postsecondary academic and employment outcomes; ``(23) support for accelerated learning ***programs***, as described in section 4104(b)(3)(A)(i)(IV) of the Elementary and Secondary Education Act of 1965, in the case of [[Page H7187]] any such ***program*** that is part of a career and technical education ***program*** of study; ``(24) support for career academies to implement a postsecondary education and workforce-ready curriculum at the secondary education level that integrates rigorous academic, technical, and employability contents through career and technical education ***programs*** and ***programs*** of study that address needs described in the comprehensive needs assessment under section 134(c); and ``(25) other State leadership activities that improve career and technical education.''; (3) by striking subsection (c); (4) by redesignating subsection (d) as subsection (c); and (5) in subsection (c), as redesignated by paragraph (4), by striking the period at the end and inserting ``, unless expressly authorized under subsection (a).''. PART C--LOCAL PROVISIONS SEC. 131. DISTRIBUTION OF FUNDS TO SECONDARY EDUCATION ***PROGRAMS***. Section 131 (20 U.S.C 2351) is amended-- (1) in subsection (a)(3)(B), by striking ``Bureau of Indian Affairs'' and inserting ``Bureau of Indian Education''; (2) in subsection (c)(2)(A)(ii), by inserting ``or ***programs*** of study'' after ``technical education ***programs***''; (3) in subsection (g), by inserting ``and ***programs*** of study'' after ``technical education ***programs***''; and (4) in subsection (h), by striking ``Bureau of Indian Affairs'' and inserting ``Bureau of Indian Education''. SEC. 132. SPECIAL RULES FOR CAREER AND TECHNICAL EDUCATION. Section 133 (20 U.S.C 2353) is amended by inserting ``or ***programs*** of study'' after ``career and technical education ***programs***'' each place the term appears. SEC. 133. LOCAL APPLICATION FOR CAREER AND TECHNICAL EDUCATION ***PROGRAMS***. Section 134 (20 U.S.C 2354) is amended-- (1) in the section heading, by striking ``local plan'' and inserting ``local application''; (2) in subsection (a)-- (A) in the subsection heading, by striking ``Local Plan'' and inserting ``Local Application''; (B) by striking ``submit a local plan'' and inserting ``submit a local application''; and (C) by striking ``Such local plan'' and inserting ``Such local application''; and (3) by striking subsection (b) and inserting the following: ``(b) Contents.--The eligible agency shall determine the requirements for local applications, except that each local application shall contain-- ``(1) a description of the results of the comprehensive needs assessment conducted under subsection (c); ``(2) information on the career and technical education course offerings and activities that the eligible recipient will provide with funds under this part, which shall include not less than 1 ***program*** of study approved by a State under section 124(b)(2), including-- ``(A) how the results of the comprehensive needs assessment described in subsection (c) informed the selection of the specific career and technical education ***programs*** and activities selected to be funded; ``(B) a description of any new ***programs*** of study the eligible recipient will develop and submit to the State for approval; and ``(C) how students, including students who are members of special populations, will learn about their school's career and technical education course offerings and whether each course is part of a career and technical education ***program*** of study; ``(3) a description of how the eligible recipient, in collaboration with local workforce development boards and other local workforce agencies, one-stop delivery systems described in section 121(e)(2) of the Workforce Innovation and Opportunity Act (29 U.S.C 3151(e)(2)), and other partners, will provide-- ``(A) career exploration and career development coursework, activities, or services; ``(B) career information on employment opportunities that incorporate the most up-to-date information on high-skill, high-wage, or in-demand industry sectors or occupations, as determined by the comprehensive needs assessment described in subsection (c); and ``(C) an organized system of career guidance and academic counseling to students before enrolling and while participating in a career and technical education ***program***; ``(4) a description of how the eligible recipient will improve the academic and technical skills of students participating in career and technical education ***programs*** by strengthening the academic and career and technical education components of such ***programs*** through the integration of coherent and rigorous content aligned with challenging academic standards and relevant career and technical education ***programs*** to ensure learning in the subjects that constitute a well-rounded education (as defined in section 8101 of the Elementary and Secondary Education Act of 1965); ``(5) a description of how the eligible recipient will-- ``(A) provide activities to prepare special populations for high-skill, high-wage, or in-demand industry sectors or occupations that will lead to self-sufficiency; ``(B) prepare CTE participants for non-traditional fields; ``(C) provide equal access for special populations to career and technical education courses, ***programs***, and ***programs*** of study; and ``(D) ensure that members of special populations will not be discriminated against on the basis of their status as members of special populations; ``(6) a description of the work-based learning opportunities that the eligible recipient will provide to students participating in career and technical education ***programs*** and how the recipient will work with representatives from employers to develop or expand work-based learning opportunities for career and technical education students, as applicable; ``(7) a description of how the eligible recipient will provide students participating in career and technical education ***programs*** with the opportunity to gain postsecondary credit while still attending high school, such as through dual or concurrent enrollment ***programs*** or early college high school, as practicable; ``(8) a description of how the eligible recipient will coordinate with the eligible agency and institutions of higher education to support the recruitment, preparation, retention, and training, including professional development, of teachers, faculty, administrators, and specialized instructional support personnel and paraprofessionals who meet applicable State certification and licensure requirements (including any requirements met through alternative routes to certification), including individuals from groups underrepresented in the teaching profession; and ``(9) a description of how the eligible recipient will address disparities or gaps in performance as described in section 113(b)(3)(C)(ii)(II) in each of the plan ***years***, and if no meaningful progress has been achieved prior to the third ***program*** ***year***, a description of the additional actions such recipient will take to eliminate those disparities or gaps. ``(c) Comprehensive Needs Assessment.-- ``(1) In general.--To be eligible to receive financial assistance under this part, an eligible recipient shall-- ``(A) conduct a comprehensive local needs assessment related to career and technical education and include the results of the needs assessment in the local application submitted under subsection (a); and ``(B) not less than once every 2 ***years***, update such comprehensive local needs assessment. ``(2) Requirements.--The comprehensive local needs assessment described in paragraph (1) shall include each of the following: ``(A) An evaluation of the performance of the students served by the eligible recipient with respect to State determined and local levels of performance established pursuant to section 113, including an evaluation of performance for special populations and each subgroup described in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965. ``(B) A description of how career and technical education ***programs*** offered by the eligible recipient are-- ``(i) sufficient in size, scope, and quality to meet the needs of all students served by the eligible recipient; and ``(ii)(I) aligned to State, regional, Tribal, or local in- demand industry sectors or occupations identified by the State workforce development board described in section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C 3111) (referred to in this section as the `State board') or local workforce development board, including career pathways, where appropriate; or ``(II) designed to meet local education or economic needs not identified by State boards or local workforce development boards. ``(C) An evaluation of progress toward the implementation of career and technical education ***programs*** and ***programs*** of study. ``(D) A description of how the eligible recipient will improve recruitment, retention, and training of career and technical education teachers, faculty, specialized instructional support personnel, paraprofessionals, and career guidance and academic counselors, including individuals in groups underrepresented in such professions. ``(E) A description of progress toward implementation of equal access to high-quality career and technical education courses and ***programs*** of study for all students, including-- ``(i) strategies to overcome barriers that result in lower rates of access to, or performance gaps in, the courses and ***programs*** for special populations; ``(ii) providing ***programs*** that are designed to enable special populations to meet the local levels of performance; and ``(iii) providing activities to prepare special populations for high-skill, high-wage, or in-demand industry sectors or occupations in competitive, integrated settings that will lead to self-sufficiency. ``(d) Consultation.--In conducting the comprehensive needs assessment under subsection (c), and developing the local application described in subsection (b), an eligible recipient shall involve a diverse body of stakeholders, including, at a minimum-- ``(1) representatives of career and technical education ***programs*** in a local educational agency or educational service agency, including teachers, career guidance and academic counselors, principals and other school leaders, administrators, and specialized instructional support personnel and paraprofessionals; ``(2) representatives of career and technical education ***programs*** at postsecondary educational institutions, including faculty and administrators; ``(3) representatives of the State board or local workforce development boards and a range of local or regional businesses or industries; ``(4) parents and students; ``(5) representatives of special populations; ``(6) representatives of regional or local agencies serving out-of-school youth, homeless children and youth, and at-risk youth (as defined in section 1432 of the Elementary and Secondary Education Act of 1965); ``(7) representatives of Indian Tribes and Tribal organizations in the State, where applicable; and [[Page H7188]] ``(8) any other stakeholders that the eligible agency may require the eligible recipient to consult. ``(e) Continued Consultation.--An eligible recipient receiving financial assistance under this part shall consult with stakeholders described in subsection (d) on an ongoing basis, as determined by the eligible agency. This may include consultation in order to-- ``(1) provide input on annual updates to the comprehensive needs assessment required under subsection (c)(1)(B); ``(2) ensure ***programs*** of study are-- ``(A) responsive to community employment needs; ``(B) aligned with employment priorities in the State, regional, tribal, or local economy identified by employers and the entities described in subsection (d), which may include in-demand industry sectors or occupations identified by the local workforce development board; ``(C) informed by labor market information, including information provided under section 15(e)(2)(C) of the Wagner- Peyser Act (29 U.S.C 491-2(e)(2)(C)); ``(D) designed to meet current, intermediate, or long-term labor market projections; and ``(E) allow employer input, including input from industry or sector partnerships in the local area, where applicable, into the development and implementation of ***programs*** of study to ensure such ***programs*** of study align with skills required by local employment opportunities, including activities such as the identification of relevant standards, curriculum, industry-recognized credentials, and current technology and equipment; ``(3) identify and encourage opportunities for work-based learning; and ``(4) ensure funding under this part is used in a coordinated manner with other local resources.''. SEC. 134. LOCAL USES OF FUNDS. Section 135 (20 U.S.C 2355) is amended to read as follows: ``SEC. 135. LOCAL USES OF FUNDS. ``(a) General Authority.--Each eligible recipient that receives funds under this part shall use such funds to develop, coordinate, implement, or improve career and technical education ***programs*** to meet the needs identified in the comprehensive needs assessment described in section 134(c). ``(b) Requirements for Uses of Funds.--Funds made available to eligible recipients under this part shall be used to support career and technical education ***programs*** that are of sufficient size, scope, and quality to be effective and that-- ``(1) provide career exploration and career development activities through an organized, systematic framework designed to aid students, including in the middle grades, before enrolling and while participating in a career and technical education ***program***, in making informed plans and decisions about future education and career opportunities and ***programs*** of study, which may include-- ``(A) introductory courses or activities focused on career exploration and career awareness, including non-traditional fields; ``(B) readily available career and labor market information, including information on-- ``(i) occupational supply and demand; ``(ii) educational requirements; ``(iii) other information on careers aligned to State, local, or Tribal (as applicable) economic priorities; and ``(iv) employment sectors; ``(C) ***programs*** and activities related to the development of student graduation and career plans; ``(D) career guidance and academic counselors that provide information on postsecondary education and career options; ``(E) any other activity that advances knowledge of career opportunities and assists students in making informed decisions about future education and employment goals, including non-traditional fields; or ``(F) providing students with strong experience in, and comprehensive understanding of, all aspects of an industry; ``(2) provide professional development for teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals, which may include-- ``(A) professional development on supporting individualized academic and career and technical education instructional approaches, including the integration of academic and career and technical education standards and curricula; ``(B) professional development on ensuring labor market information is used to inform the ***programs***, guidance, and advisement offered to students, including information provided under section 15(e)(2)(C) of the Wagner-Peyser Act (29 U.S.C 49l-2(e)(2)(C)); ``(C) providing teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals, as appropriate, with opportunities to advance knowledge, skills, and understanding of all aspects of an industry, including the latest workplace equipment, technologies, standards, and credentials; ``(D) supporting school leaders and administrators in managing career and technical education ***programs*** in the schools, institutions, or local educational agencies of such school leaders or administrators; ``(E) supporting the implementation of strategies to improve student achievement and close gaps in student participation and performance in career and technical education ***programs***; ``(F) providing teachers, faculty, specialized instructional support personnel, career guidance and academic counselors, principals, school leaders, or paraprofessionals, as appropriate, with opportunities to advance knowledge, skills, and understanding in pedagogical practices, including, to the extent the eligible recipient determines that such evidence is reasonably available, evidence-based pedagogical practices; ``(G) training teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals, as appropriate, to provide appropriate accommodations for individuals with disabilities, and students with disabilities who are provided accommodations under the Rehabilitation Act of 1973 (29 U.S.C 701 et seq.) or the Individuals with Disabilities Education Act; ``(H) training teachers, faculty, specialized instructional support personnel, career guidance and academic counselors, and paraprofessionals in frameworks to effectively teach students, including a particular focus on students with disabilities and English learners, which may include universal design for learning, multi-tier systems of supports, and positive behavioral interventions and support; or ``(I) training for the effective use of community spaces that provide access to tools, technology, and knowledge for learners and entrepreneurs, such as makerspaces or libraries; ``(3) provide within career and technical education the skills necessary to pursue careers in high-skill, high-wage, or in-demand industry sectors or occupations; ``(4) support integration of academic skills into career and technical education ***programs*** and ***programs*** of study to support-- ``(A) CTE participants at the secondary school level in meeting the challenging State academic standards adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 by the State in which the eligible recipient is located; and ``(B) CTE participants at the postsecondary level in achieving academic skills; ``(5) plan and carry out elements that support the implementation of career and technical education ***programs*** and ***programs*** of study and that result in increasing student achievement of the local levels of performance established under section 113, which may include-- ``(A) a curriculum aligned with the requirements for a ***program*** of study; ``(B) sustainable relationships among education, business and industry, and other community stakeholders, including industry or sector partnerships in the local area, where applicable, that are designed to facilitate the process of continuously updating and aligning ***programs*** of study with skills that are in demand in the State, regional, or local economy, and in collaboration with business outreach staff in one-stop centers, as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C 3102), and other appropriate organizations, including community-based and youth-serving organizations; ``(C) where appropriate, expanding opportunities for CTE concentrators to participate in accelerated learning ***programs*** (as described in section 4104(b)(3)(A)(i)(IV) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7114(b)(3)(A)(i)(IV)), including dual or concurrent enrollment ***programs***, early college high schools, and the development or implementation of articulation agreements as part of a career and technical education ***program*** of study; ``(D) appropriate equipment, technology, and instructional materials (including support for library resources) aligned with business and industry needs, including machinery, testing equipment, tools, implements, hardware and software, and other new and emerging instructional materials; ``(E) a continuum of work-based learning opportunities, including simulated work environments; ``(F) industry-recognized certification examinations or other assessments leading toward a recognized postsecondary credential; ``(G) efforts to recruit and retain career and technical education ***program*** teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, and paraprofessionals; ``(H) where applicable, coordination with other education and workforce development ***programs*** and initiatives, including career pathways and sector partnerships developed under the Workforce Innovation and Opportunity Act (29 U.S.C 3101 et seq.) and other Federal laws and initiatives that provide students with transition-related services, including the Individuals with Disabilities Education Act; ``(I) expanding opportunities for students to participate in distance career and technical education and blended- learning ***programs***; ``(J) expanding opportunities for students to participate in competency-based education ***programs***; ``(K) improving career guidance and academic counseling ***programs*** that assist students in making informed academic and career and technical education decisions, including academic and financial aid counseling; ``(L) supporting the integration of employability skills into career and technical education ***programs*** and ***programs*** of study, including through family and consumer science ***programs***; ``(M) supporting ***programs*** and activities that increase access, student engagement, and success in science, technology, engineering, and mathematics fields (including computer science and architecture) for students who are members of groups underrepresented in such subject fields; ``(N) providing career and technical education, in a school or other educational setting, for adults or out-of-school youth to complete secondary school education or upgrade technical skills; ``(O) supporting career and technical student organizations, including student preparation for [[Page H7189]] and participation in technical skills competitions aligned with career and technical education ***program*** standards and curricula; ``(P) making all forms of instructional content widely available, which may include use of open educational resources; ``(Q) supporting the integration of arts and design skills, when appropriate, into career and technical education ***programs*** and ***programs*** of study; ``(R) partnering with a qualified intermediary to improve training, the development of public-private partnerships, systems development, capacity-building, and scalability of the delivery of high-quality career and technical education; ``(S) support to reduce or eliminate out-of-pocket expenses for special populations participating in career and technical education, including those participating in dual or concurrent enrollment ***programs*** or early college high school ***programs***, and supporting the costs associated with fees, transportation, child care, or mobility challenges for those special populations; or ``(T) other activities to improve career and technical education ***programs***; and ``(6) develop and implement evaluations of the activities carried out with funds under this part, including evaluations necessary to complete the comprehensive needs assessment required under section 134(c) and the local report required under section 113(b)(4)(B). ``(c) Pooling Funds.--An eligible recipient may pool a portion of funds received under this Act with a portion of funds received under this Act available to one or more eligible recipients to support implementation of ***programs*** of study through the activities described in subsection (b)(2). ``(d) Administrative Costs.--Each eligible recipient receiving funds under this part shall not use more than 5 percent of such funds for costs associated with the administration of activities under this section.''. TITLE II--GENERAL PROVISIONS SEC. 201. FEDERAL AND STATE ADMINISTRATIVE PROVISIONS. (a) In General.--The Act (20 U.S.C 2301 et seq.) is amended-- (1) in section 311-- (A) in subsection (a), by striking ``and tech prep ***program*** activities''; and (B) in subsection (b)-- (i) in paragraph (1)-- (I) by amending subparagraph (A) to read as follows: ``(A) In general.--Except as provided in subparagraph (B), (C), or (D), in order for a State to receive its full allotment of funds under this Act for any fiscal ***year***, the Secretary must find that the State's fiscal effort per student, or the aggregate expenditures of such State, with respect to career and technical education for the preceding fiscal ***year*** was not less than the fiscal effort per student, or the aggregate expenditures of such State, for the second preceding fiscal ***year***.''; (II) in subparagraph (B), by striking ``shall exclude capital expenditures, special 1-time project costs, and the cost of pilot ***programs***.'' and inserting ``shall, at the request of the State, exclude competitive or incentive-based ***programs*** established by the State, capital expenditures, special one-time project costs, and the cost of pilot ***programs***.''; and (III) by adding at the end the following: ``(D) Establishing the state baseline.--For purposes of applying subparagraph (A) for ***years*** which require the calculation of the State's fiscal effort per student, or aggregate expenditures of such State, with respect to career and technical education for the first full fiscal ***year*** following the date of enactment of the Strengthening Career and Technical Education for the 21st Century Act, the State may determine the State's fiscal effort per student, or aggregate expenditures of such State, with respect to career and technical education for such first full fiscal ***year*** by-- ``(i) continuing to use the State's fiscal effort per student, or aggregate expenditures of such State, with respect to career and technical education, as was in effect on the day before the date of enactment of the Strengthening Career and Technical Education for the 21st Century Act; or ``(ii) establishing a new level of fiscal effort per student, or aggregate expenditures of such State, with respect to career and technical education, which is not less than 95 percent of the State's fiscal effort per student, or the aggregate expenditures of such State, with respect to career and technical education for the preceding fiscal ***year***.''; (ii) by striking paragraph (2) and inserting the following: ``(2) Failure to meet.-- ``(A) In general.--The Secretary shall reduce the amount of a State's allotment of funds under this Act for any fiscal ***year*** in the exact proportion by which the State fails to meet the requirement of paragraph (1) by falling below the State's fiscal effort per student or the State's aggregate expenditures (using the measure most favorable to the State), if the State failed to meet such requirement (as determined using the measure most favorable to the State) for 1 or more of the 5 immediately preceding fiscal ***years***. ``(B) Special rule.--No such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent ***years***. ``(3) Waiver.--The Secretary may waive paragraph (2) due to exceptional or uncontrollable circumstances affecting the ability of the State to meet the requirement of paragraph (1) such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for ***years*** subsequent to the ***year*** covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent ***years*** shall be computed on the basis of the level of funding that would, but for such waiver, have been required.''; (2) in section 314(1), by striking ``career path or major'' and inserting ``career pathway or ***program*** of study''; (3) in section 315-- (A) by inserting ``or ***programs*** of study'' after ``career and technical education ***programs***''; and (B) by striking ``seventh grade'' and inserting ``the middle grades (as such term is defined in section 8101 of the Elementary and Secondary Education Act of 1965)''; (4) in section 317(b)-- (A) in paragraph (1)-- (i) by inserting ``, including ***programs*** of study,'' after ``activities''; and (ii) by striking ``who reside in the geographical area served by'' and inserting ``in areas served by''; and (B) in paragraph (2)-- (i) by striking ``the geographical area'' and inserting ``areas''; and (ii) by inserting ``, including ***programs*** of study,'' after ``activities''; (5) by striking title II and redesignating title III as title II; (6) by redesignating sections 311 through 318, as amended by this section, as sections 211 through 218, respectively; (7) by redesignating sections 321 through 324 as sections 221 through 224, respectively; and (8) by inserting after section 218 (as so redesignated) the following: ``SEC. 219. STUDY ON ***PROGRAMS*** OF STUDY ALIGNED TO HIGH-SKILL, HIGH-WAGE OCCUPATIONS. ``(a) Scope of Study.--The Comptroller General of the United States shall conduct a study to evaluate-- ``(1) the strategies, components, policies, and practices used by eligible agencies or eligible recipients receiving funding under this Act to successfully assist-- ``(A) all students in pursuing and completing ***programs*** of study aligned to high-skill, high-wage occupations; and ``(B) any special population or specific subgroup of students identified in section 1111(h)(1)(C)(ii) of the Elementary and Secondary Education Act of 1965 in pursuing and completing ***programs*** of study aligned to high-skill, high- wage occupations in fields in which such special population or subgroup is underrepresented; and ``(2) any challenges associated with replication of such strategies, components, policies, and practices. ``(b) Consultation.--In carrying out the study conducted under subsection (a), the Comptroller General of the United States shall consult with a geographically diverse (including urban, suburban, and rural) representation of-- ``(1) students and parents; ``(2) eligible agencies and eligible recipients; ``(3) teachers, faculty, specialized instructional support personnel, and paraprofessionals, including those with expertise in preparing career and technical education students for non-traditional fields; ``(4) Indian Tribes and Tribal organizations; ``(5) special populations; and ``(6) representatives of business and industry. ``(c) Submission.--Upon completion, the Comptroller General of the United States shall submit the study conducted under subsection (a) to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.''. (b) Conforming Amendment.--Section 8(a) (20 U.S.C 2306a(a)) is amended by striking ``311(b), and 323'' and inserting ``211(b), and 223''. TITLE III--AMENDMENTS TO OTHER LAWS SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT. Section 15(e)(2) of the Wagner-Peyser Act (29 U.S.C 49l- 2(e)(2)) is amended-- (1) by striking subparagraph (B) and inserting the following: ``(B) consult with eligible agencies (defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2302)), State educational agencies, and local educational agencies concerning the provision of workforce and labor market information in order to-- ``(i) meet the needs of secondary school and postsecondary school students who seek such information; and ``(ii) annually inform the development and implementation of ***programs*** of study defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2302), and career pathways;''; (2) in subparagraph (G), by striking ``and'' after the semicolon; (3) in subparagraph (H), by striking the period at the end and inserting ``; and''; and (4) by adding at the end the following: ``(I) provide, on an annual and timely basis to each eligible agency (defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2302)), the data and information described in subparagraphs (A) and (B) of subsection (a)(1).''. SEC. 302. AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965. (1) Section 1111(h)(1)(C)(xiv) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 6311(h)(1)(C)(xiv)) is amended by striking ``attaining career and technical proficiencies (as defined by section 113(b) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2323(b)) and reported by States only in a manner consistent with section 113(c) of such Act (20 U.S.C 2323(c))'' and inserting ``meeting [[Page H7190]] State determined levels of performance for core indicators, as defined by section 113(b)(3)(A) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C 2323(b)(3)(A)), and reported by States only in a manner consistent with section 113(b)(3)(C) of such Act (20 U.S.C 2323(b)(3)(C))''. (2) Section 6115(b)(6) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7425(b)(6)) is amended by striking ``tech-prep education, mentoring,'' and inserting ``mentoring''. (3) Section 6304(a)(3)(K) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7544(a)(3)(K)) is amended by striking ``tech-prep,''. SEC. 303. AMENDMENT TO THE WORKFORCE INNOVATION AND OPPORTUNITY ACT. Section 134(c)(2)(A)(vii) of the Workforce Innovation and Opportunity Act (29 U.S.C 3174(c)(2)(A)(vii)) is amended by striking ``school dropouts'' and inserting ``out-of-school youth''. The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. Thompson) and the gentleman from Illinois (Mr. Krishnamoorthi) each will control 20 minutes. The Chair recognizes the gentleman from Pennsylvania. General Leave Mr. THOMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the Senate amendment to H.R 2353. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? There was no objection. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise today in support of the Strengthening Career and Technical Education for the 21st Century Act. Mr. Speaker, I am pleased to yield such time as she may consume to the gentlewoman from North Carolina (Ms. Foxx), the chairwoman of the House Education and the Workforce Committee. Ms. FOXX. Mr. Speaker, I thank Mr. Thompson for yielding me time. Mr. Speaker, today has been a long time coming, so I will be brief. The legislation we are here to send to the President's desk is a true difference maker. Every one of us knows someone God has blessed with skills, talents, and ideas that do not fit the mold of traditional postsecondary education. Because of that, they may not believe they have much to offer or much to gain by joining the workforce without the ``right'' degree or diploma. But there really isn't a right degree or diploma. By updating and strengthening the career and technical education law, which H.R 2353 does, we are making significant progress in changing those misguided perceptions and giving workforce development the recognition and credit it deserves. We have more than 6 million unfilled jobs in this country, due in large part to the skills gap. The skills gap is partly the result of an outdated approach to workforce development. H.R 2353 supports innovative learning opportunities and strong community partnerships, addressing the problem of vacant jobs and workforce development needs where they exist: at the local level. I want to recognize the bipartisan effort that has gotten us here today. Congressman Glenn Thompson and Congressman Raja Krishnamoorthi, along with a great staff, delivered a great bill for us to work on at the Education and the Workforce Committee. Since we marked it up, reported it, and the House passed the bill last ***year***, I have been pleased and I have been proud to work with Ranking Member Bobby Scott in urging Senate consideration of this legislation. I thank House leaders for bringing this bill back to the floor as soon as we could after the Senate passed it on Monday night. On behalf of every member and staff person of the Education and the Workforce Committee, I am grateful this bill is before the House today, and I am proud of all of their hard work. Mr. Speaker, I urge Members to support this legislation. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I thank Congressman Thompson for his partnership on this legislation, and Chairwoman Foxx and Ranking Member Scott for their leadership. Lastly, I thank our colleagues in the Senate for working hard to pass H.R 2353 earlier this week. It has now been 12 ***years*** since Congress acted to update this critical ***program***. The Bureau of Labor Statistics recently reported a skills gap of 6.5 million unfilled jobs. Compared to this time last ***year***, there are now an additional 1 million job openings where employers can't find applicants with the adequate skills or training to fill them. For the health of our economy, the prosperity of our workers, and the strength of our businesses, we must reverse this trend, and we must reverse it now. Our bipartisan legislation, the Strengthening Career and Technical Education for the 21st Century Act, implements critical reforms to ensure American technical education and training ***programs*** prepare students for high-wage, in-demand jobs in their communities. This legislation aligns CTE ***programs*** to meet the needs of local labor markets, gives business and workforce experts a seat at the table when CTE curricula are crafted, and preserves robust accountability standards to protect American students. This legislation also increases funding to Perkins CTE ***programs*** to record levels, ensuring that each State across the country receives sufficient Federal resources to build a dynamic, growing workforce and a thriving economy. Congress hasn't made substantive reforms to career and technical education since 2006, before the invention of the iPhone and long before the current technological revolution. American students, workers, and businesses are depending on us today to reform and reauthorize Perkins CTE. Mr. Speaker, I urge all of my colleagues to support H.R 2353, as amended, and I reserve the balance of my time. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, as co-chair of the Career and Technical Education Caucus, I am happy to say that this legislation, the Strengthening Career and Technical Education for the 21st Century Act, will help move us in the right direction. This bill has been the result of a long, bipartisan effort that I have been proud to lead with my CTE Caucus co-chair, Mr. Langevin from Rhode Island, and now with my cosponsor from the Education and Workforce Committee, Representative Raja Krishnamoorthi. It has been more than a decade since our Federal role in our Nation's CTE ***programs*** has been modernized, and so much of our society has changed since then. Right now, there are more than 6.5 million unfilled jobs in this country, and we are finally recognizing the impact of the skills gap. A study concluded by the Brookings Institute found that, in the next decade, 3 million workers will be needed in the infrastructure industry alone. This includes careers in transportation, housing, and telecommunications. As a father, I know there is nothing parents want more for their kids than a life that is better than their own, but only half of all Americans today expect their children to have a brighter future than they did. The Strengthening Career and Technical Education for the 21st Century Act aims to help more Americans, particularly younger Americans, obtain the knowledge and skills they need to break the cycle of poverty and achieve a lifetime of success. A big part of that goal is ensuring Federal policies take meaningful steps to address the challenges and realities facing today's students, workers, and employers. We want State and local leaders to be able to focus their time and resources on preparing students for successful careers. H.R 2353 helps with this goal by simplifying the application process for receiving Federal funds and providing States and local leaders with the flexibility needed to design CTE ***programs*** that best meet the needs of their local communities. Perhaps most importantly, this bill makes improvements on alignment with in-demand jobs by supporting innovative learning opportunities and encouraging stronger engagement with employers. The bill promotes work- based learning, a technique that allows potential employers to give students hands-on experience. [[Page H7191]] The best thing about this bill is that it is going to be a game- changer for American students. The second best thing about this bill is that it has enjoyed not just bipartisan support, but unanimous support in both the House and the Senate so far. We are here today to take the last step before sending this vitally important legislation to the President for his signature. I would be remiss not to personally take a moment to thank the many staffers who have made this bill possible: Matthew Brennan, Paul Camacho, and Michelle Rakebrand from my office; former staffer Katie Brown; Education and the Workforce Committee staffers James Redstone, Brad Thomas, Alex Ricci, Mandy Schaumburg, and Amy Jones; and the Senate HELP Committee staff, who have worked behind the scenes to get us to where we are today. {time} 1245 This legislation is supported by a unified coalition of education, business, and industry organizations. And a specific thank you to Boeing, IBM, and the Chamber of Commerce for their leadership. Mr. Speaker, I am pleased to be joined by other members of the Education and the Workforce Committee to talk about what this bill means to our constituents. I reserve the balance of my time. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. Scott). Mr. SCOTT of Virginia. Mr. Speaker, I rise as ranking member of the Committee on Education and the Workforce in support of H.R 2353, the Strengthening CTE for the 21st Century Act, which will reauthorize the Perkins Career and Technical Education ***Program***, the CTE ***program***. Mr. Speaker, the House passed the CTE reauthorization in the last Congress and again last ***year***. The Senate made minor changes to the bill, and now we are on the verge of final passage today. In passing the bill, we will be updating the Federal investment in CTE to provide increased State flexibility, while ensuring greater accountability for ***program*** quality. H.R 2353 will also require a more inclusive collaboration between educational institutions, industry, employers, and community partners. Today's CTE will not be the vocational education of the past. Workers rarely hold the same job for 40 ***years***. Workers often have several jobs throughout their careers, which is why modern CTE ***programs*** must help ensure that students receive a foundational education that will help students switch in their career or academic tracks at any time. I thank the gentleman from Illinois (Mr. Krishnamoorthi) and the gentleman from Pennsylvania (Mr. Thompson) for their bipartisan leadership, and, of course, the chair of the Committee on Education and the Workforce, Dr. Foxx. Because of their work, the House was able to produce a comprehensive reauthorization of Perkins CTE, which will improve ***program*** quality and services for students, and support educational ***programming*** that engages all students by linking core academic content with real-world, work-based skills development. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I would also like to say thank you to the ranking member for his help and leadership with marshalling this through the process that we have. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. Roe), a colleague and classmate of mine. Mr. ROE of Tennessee. Mr. Speaker, I rise today in support of H.R 2353. The number one thing I hear from employers back home is that they have good-paying jobs available, but they can't find workers who have the necessary training or soft skills. I have also heard that employers are not engaged early enough in the process, and the reforms in today's bill should help address these concerns. This bill helps encourage community partnerships and engages employers to help ensure employment opportunities for future generations. Most importantly, by Congress acting today, we show our commitment to help those for whom college may not be the right fit by offering them better, skills-based learning opportunities that will ultimately result in jobs to support themselves and their families. I am also pleased to see the inclusion of provisions from the American Dream Accounts Act, which I introduced last week with Representative Moulton. This will allow community partnerships to help engage kids to plan and save for technical education ***programs***. A ***program*** in Elizabethton, Tennessee, is doing just this, with promising results. With these important reforms, we can help ensure that the labor force of tomorrow has the skills it needs today. I urge support. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. Langevin). Mr. LANGEVIN. Mr. Speaker, as co-chair of the bipartisan Career and Technical Education Caucus, I am proud to rise in strong support of the Senate amendment to H.R 2353, the Strengthening Career and Technical Education for the 21st Century Act. This important bill is long overdue. The Carl D. Perkins CTE Act hasn't been reauthorized in more than a decade, and updating it is a vital step toward supporting students and businesses across the country. In particular, I would like to thank my CTE Caucus co-chair, Representative Glenn ``GT'' Thompson, for his leadership on this bill and partnership in Congress on this issue over the last many ***years***. I also want to recognize my House and Senate colleagues on both sides of the aisle, including Chairwoman Foxx, Ranking Member Scott, and Congressman Krishnamoorthi, who have demonstrated great bipartisanship in crafting this legislation. I also thank the many partners from across the country from education and the business community for their work on this important bill, and also the many staffers who worked so hard on this, particularly Kerry McKittrick from my staff, and former staffers Sam Morgante and Kirtley Fisher over the ***years*** as well. For the past 10 ***years***, I have heard the same concern from employers in Rhode Island, that they are unable to find skilled workers to fill open jobs in manufacturing, IT, and other skilled trades, and it is hurting their businesses. I know that other Members have heard this from their businesses across the country as well. Mr. Speaker, we need to ensure our workforce is equipped with the tools that they need to meet these demands in order to close the skills gap, especially skills for our young people entering the workforce. By aligning CTE ***programs*** with industry needs, we will ensure students are learning the academic, technical, and employability skills to succeed in growing economic sectors. I am proud that the Strengthening CTE for the 21st Century Act does just this, while making other important reforms that I have long championed, including expanding access to apprenticeships to give students valuable, hands-on learning experiences and supporting career counselors to guide students down appropriate academic and career paths. With these components, I am proud to support the Senate amendment to H.R 2353, and I urge my colleagues to join me in supporting this important bill. Mr. THOMPSON of Pennsylvania. Mr. Speaker, first of all, my thanks to Mr. Langevin for his longtime friendship and leadership on career and technical education. I yield 1 minute to the gentleman from Minnesota (Mr. Lewis). Mr. LEWIS of Minnesota. Mr. Speaker, I thank Mr. Thompson for his leadership on this legislation, as well as Chairman Foxx, Ranking Member Scott, and my colleagues on the Education and the Workforce Committee. This great bipartisan effort could not come at a more critical time. As our economy continues to boom, employers across the Nation are struggling to find the skilled workers needed to fill well-paying jobs and grow their businesses. The legislation here strengthens the Perkins Act to ensure students gain the necessary skills to compete in the modern economy. I am particularly pleased that the final legislation includes my provisions to encourage and expand dual enrollment opportunities, putting more students on the fast track to a great career. [[Page H7192]] Minnesota's Second District is home to some great technical colleges, and dual enrollment allows high school students to access these ***programs*** and to begin working toward an in-demand credential or degree. I am proud to support this bill to close the skills gap and help our students succeed. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Nolan). Mr. NOLAN. Mr. Speaker, I rise in support of this critically important bipartisan reauthorization of the Career and Technical Education Act. I want to especially commend Chairwoman Foxx; Ranking Member Scott; and, of course, the real hard workers on this deal, Mr. Krishnamoorthi and Mr. Thompson; and all the original cosponsors, staff, and people who support this legislation. Time and again, when I visit with owners and managers of manufacturing facilities in my northern Minnesota district, I am told two things. The first is that the employees they have hired who participated in the Career and Technical Education Act are among the very best that they have in their employment. The second point that they make is that they need more CTE-trained employees. All up and down the line, from healthcare, to construction, information technology, aviation, transportation, you name it, the list goes on, and the jobs are waiting. This bill adds important new provisions to expand and update CTE, so that they can be filled. It gives States more flexibility to focus on the jobs and careers in high demand in their regions. Employers and communities get the tools that they need to develop stronger partnerships and to engage students and grow our local economies. And students get the tools that they need to compete and succeed in 21st century jobs and the economy. That is what this is all about, Mr. Speaker. It is about more good- paying jobs. It is about great opportunities for students to learn and develop valuable skills, to develop more dynamic growth for an economy in need of the best, most-skilled workers that America can provide. I urge all of my colleagues to support this critical and important legislation. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. Allen). Mr. ALLEN. Mr. Speaker, it is very refreshing here and a historic day in Congress when we are working together to do something big, and I am just proud to be a part of it. During my time in Congress, I have traveled the 12th District, visiting many schools, and I have spoken to numerous groups of young students. One question I always ask is why they are getting an education. Typically, students will respond with a wide variety of reasons, but the answer is to prepare for a job, to build a successful career, to live the American Dream. Oftentimes, a 4-***year*** degree isn't the right fit. Work is a God-given right, and I believe that young people today have the greatest opportunity to live the American Dream than at any time in my lifetime. I am proud to say that I helped create legislation that prioritizes these in-demand job skills and education. H.R 2353, the Strengthening Career and Technical Education for the 21st Century Act, does a lot of great things. But as a small-business owner, I made sure, during the drafting process, that this legislation would bridge the gap between the business and education community by finally bringing business leaders to the table to create CTE ***programs*** for in-demand jobs in our hometowns. Thanks to tax reform and deregulation, our economy is booming: 6.7 million jobs are open and available, and the American Dream is right there for the taking. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. Davis). Mrs. DAVIS of California. Mr. Speaker, I am pleased that our colleagues in the Senate have joined the House in passing career and technical education legislation. I want to thank Chairwoman Foxx and Ranking Member Scott, along with our authors of the bill, for your leadership in moving the House version of this bill through committee. Also, today, we gathered experts from across the country to participate in the committee's first Workforce Innovation Forum. We just had an opportunity to hear from these innovators from cities around the country about the importance of investments and workforce development ***programs***, and they shared how Federal investments can spur private investments in students, raise public awareness--very, very critical--of these ***programs***, and connect workers to jobs in their communities. CTE provides a crucial link between the K-12 system and the workforce, and allows promising students to prepare for fields where high-paying jobs are available. Mr. Speaker, every day, families across America gather around the kitchen table to discuss college and career options, and we need to make sure that high-need job development ***programs*** are a bigger part of that conversation. Students and parents need good, current information to make these critical decisions. The flexibility in many of these ***programs*** offers our students less time in the classroom and more time in the workplace. And the hands-on education model keeps people engaged while teaching necessary soft skills before graduation. Every person deserves a quality education, and every community deserves a thriving local economy with highly skilled workers. I am proud to support career and technical education, and look forward to working with our community partners to implement this very important legislation. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Walberg), a subcommittee chairman of the Education and the Workforce Committee for the Health, Employment, Labor, and Pensions Subcommittee. {time} 1300 Mr. WALBERG. Mr. Speaker, I rise in strong support of H.R 2353, the Strengthening Career and Technical Education for the 21st Century Act. I also thank my colleagues and sponsors of this legislation, Representative Thompson from Pennsylvania and my good friend from Illinois, Representative Krishnamoorthi. As I have met with students, teachers, and employers in my district, I have consistently heard the need to expand CTE opportunities and invest in a skilled workforce. In today's economy, we need to celebrate the fact that not everyone follows the same path. While many students pursue 4-***year*** degrees, many others know their sweet spots lie somewhere else. Career and technical education provides students with hands-on experience that can lead to a good paying job and a rewarding career. I am also pleased this bipartisan legislation includes my provisions to address unnecessary and duplicative licensing requirements that act as a barrier for workers trying to get their foot in the door. I commend my colleagues on the Education and the Workforce Committee for making it a priority to modernize and strengthen CTE ***programs***. Coming from a manufacturing hub like Michigan, this bill will make a big difference for the hardworking men and women of our State. Let's pass it today and help every American pursue their personal paths to the American Dream. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. Courtney). Mr. COURTNEY. Mr. Speaker, I rise today as a member of the Education and the Workforce Committee in strong support of the Strengthening Career and Technical Education for the 21st Century Act. This bill will reauthorize the Perkins Career and Technical Education Act for the first time since 2006. Mr. Speaker, I congratulate Chairwoman Foxx, Ranking Member Scott, Congressman Thompson, and Congressman Krishnamoorthi for their hard work getting this measure through both chambers for the first time in 12 ***years***. This bill is about preparing secondary and post-secondary students with the academic, technical, and employability skills required to be successful in the workforce at a critical time for our economy. [[Page H7193]] For example, according to the National Association of Manufacturers, there will be more than 3.5 million open manufacturing jobs through 2025, and unless we can better prepare that future workforce, 2 million of these jobs will go unfilled. This reauthorization will incentivize technical schools to boost performance by providing schools with more flexibility that will allow schools to use Federal grant money to align casework and training with the workforce needs in their region. In eastern Connecticut and Rhode Island, as we ramp up submarine production that will require 14,000 new workers over the next 8 ***years***, an updated Perkins law will be an asset to the Electric Boat shipyard and submarine suppliers for ***years*** to come. My district is home to four technical high schools: Norwich, Windham, Grasso, and Ellis Technical High School. In May, I had the opportunity to visit Ellis Tech in Danielson and saw firsthand the impressive ***programs*** offered to their 600-plus students from 20 towns in the region. In addition to the ***programming*** at the school, Ellis partners with local community colleges to offer juniors and seniors the opportunity to receive college credits and reduce the cost of higher education. This bill will take ***programs*** like Ellis to a higher and better place just in the nick of time for our economy. Mr. Speaker, I strongly urge my colleagues to support final passage of this important measure to build a stronger American workforce. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. Byrne), another of our subcommittee chairmen in the House Education and the Workforce Committee, and the chairman of the Workforce Protections Subcommittee. Mr. BYRNE. Mr. Speaker, I thank the gentleman for yielding. Mr. Speaker, we have a skills crisis in our country. We actually have more job openings than we have unemployed Americans. This is keeping our economy from reaching full potential. So how do we solve this problem? Well, a big way is through expanding career and technical education ***programs***. As the demands of the workforce continue to change and become more complex, these ***programs*** are critical to building the workforce of the 21st century. I have seen these ***programs*** firsthand back in Alabama in our high schools, when I was the chancellor of post-secondary education, and I saw it at work in our 2-***year*** colleges. They benefit the local economy by helping fill open jobs, but they make the lives of our students intrinsically better by connecting them with the skills they need to thrive. Mr. Speaker, I urge my colleagues to support this bill and show the strong bipartisan support that we showed when it passed the House the first time. Career and technical education is for everybody in America, and America's House needs to stand up and support it. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon (Ms. Bonamici). Ms. BONAMICI. Mr. Speaker, I thank my colleague for yielding. As a member of the Education and the Workforce Committee, I rise today in strong support of H.R 2353, the bipartisan Strengthening Career and Technical Education for the 21st Century Act, a bill to support students and prepare them for the future. Mr. Speaker, I thank my colleagues on both sides of the aisle for their work on this important legislation. In Oregon, current technical education classes, like Beaverton's Aloha High School's Auto Tech ***program*** and Newberg High School's CAD Lab, engage more students, boost graduation rates, and give students the opportunity to learn real world skills. Federal CTE funding provides critical equipment that schools need to make these hands-on classes meaningful experiences for students in Oregon and across the country. I am proud that this bill includes the amendment I worked on with Representative Elise Stefanik, my cochair of the STEAM Caucus, to encourage the integration of arts and design skills into STEM CTE ***programs***. Our provision will help make sure that the next generation of students are creative and innovative by fully engaging and educating both halves of the brain through art and design. Mr. Speaker, I want to, again, thank my colleagues, and especially Ranking Member Scott and Chairwoman Foxx for their leadership on this issue. We have been waiting for a long time for this bipartisan bill, and I am proud to stand in strong support today. Mr. Speaker, I urge all of my colleagues to support this legislation. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. Grothman). Mr. GROTHMAN. Mr. Speaker, I am pleased to speak on this bill. As anybody who talks to the average person knows, in this country today, we have a huge labor shortage of people ready to do the type of jobs that industry needs. I have more manufacturing jobs in my district than any other congressman around the country, and the number one problem we have is we can't find people to do those jobs. We all have medical facilities around this country, and again and again, nurses or other skilled people are not available for the huge number of job openings that are out there. Meanwhile, we have hundreds of thousands, maybe millions of people getting 4-***year*** degrees or part of 4-***year*** degrees and not finding jobs that pay anywhere near as good as some of the jobs you can get at a technical school. Earlier this morning I looked at a local technical school here in town that had a demonstration project on some of the robotics training that they are doing, and we had people who are starting at $25, $30, $35 an hour, and that is before overtime. And these people, because the degrees take only 2 ***years*** to get and frequently allow you to live at home, are graduating without debt, unlike many people who have been foolishly told to go to a 4-***year*** college and are not getting a lot out of it. So I am pleased today to vote for the Career and Technical Education for the 21st Century Act, which will also reduce, to a degree, paperwork required by the Federal Government. The SPEAKER pro tempore (Mr. Emmer). The time of the gentleman has expired. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Wisconsin. Mr. GROTHMAN. Mr. Speaker, I would also just like to thank those businesses out there that are training people out there without the benefit of government education at all, because those are also sometimes frequently very good jobs. Mr. KRISHNAMOORTHI. Mr. Speaker, I reserve the balance of my time. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. Ferguson), a fellow colleague from the Education and the Workforce Committee. Mr. FERGUSON. Mr. Speaker, I rise today in favor of H.R 2353. It has been a ***year*** since this House passed reauthorization, and I am thrilled the Senate finally took action to pass the bill earlier this week. This legislation is vital to supporting career and technical education, such as apprenticeship ***programs***, all across my district. As I have spoken with folks back home, I have heard time and time again from businessowners the importance of training a new generation of skilled workers. Many of the current employees are nearing retirement age, and these businessowners are facing an ever-shrinking pool of skilled labor. I also see students seeking more opportunities other than a 4-***year*** degree. CTE ***programs*** are a solution for both of these groups, and I am proud that there are so many examples of this in the Third District of Georgia. In fact, today, Kathy Carlisle from the THINC Academy in LaGrange, Georgia, testified in front of the Education and the Workforce Committee. Dr. Carlisle shared how THINC has contributed to a community revitalization success story and what happens when the local leaders of the business community and innovative educators come together. The SPEAKER pro tempore. The time of the gentleman has expired. Mr. THOMPSON of Pennsylvania. Mr. Speaker, I yield an additional 30 [[Page H7194]] seconds to the gentleman from Georgia. Mr. FERGUSON. This bill will continue these opportunities, increasing funding, and giving States more flexibility to implement innovative ***programs***. Most importantly, a diverse group of members from our community from all socioeconomic backgrounds stand on the edge of success, and this will help get them there. Mr. Speaker, I look forward to seeing this bill pass, and I urge everyone to support it. Mr. KRISHNAMOORTHI. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I want to say thank you, again, to Congressman G.T Thompson, Chairwoman Foxx, Ranking Member Scott, all the members of the Education and the Workforce Committee, all the staff on the Education and the Workforce Committee, and a point of personal privilege, Sam Morgante and Brian Kaissi for their yeoman's work on my staff. The CTE bill will begin a career and technical education revolution in this country. It will allow us to equip millions of young people and those in career transition with the skills to take the jobs of the future. There are 6.7 million unfilled jobs that are waiting to be filled by motivated, enterprising, hardworking people who seek a middle class lifestyle, which is the American Dream. Mr. Speaker, I urge strong support of this landmark legislation, and I yield back the balance of my time. Mr. THOMPSON of Pennsylvania. Mr. Speaker, may I inquire how much time remains on my side of the aisle? The SPEAKER pro tempore. The gentleman from Pennsylvania has 5 minutes remaining. Mr. THOMPSON of Pennsylvania. Mr. Speaker, today what we are talking about is restoring rungs in the ladder of opportunity. This is about providing better access to more effective skills-based education for all Americans. A lot of people listening sometimes think about career and technical education, and appropriately, they think about our kids who we are trying to equip and prepare them to be successful in life, to have better lives than what we have had as their parents, and we certainly are here to do that. This legislation does serve those kids. But this legislation serves Americans at any age, at every point in their life, to be able to tap back into a system, to get a little bit more training, a certification, a specialization, to be able to get a promotion, to get a better job. And it really is about upward mobility, Mr. Speaker. I would say on every school day somewhere around this country, there is a student, maybe a young lady, that is not really motivated to get out of bed to go off to school, because she is someone that doesn't learn perhaps as well as others in a conventional education setting where people are lecturing and, you know, just being in the classroom setting. And she is reluctant. When she does go to school, my guess is she is probably in that classroom, and many times you find her with her head down on her desk. But if you put the tools, Mr. Speaker, of career and technical education in her hands, she becomes inspired. Now, that could be a welder, it could be wrenches, it could be a hammer, it could be a keyboard, it could be a paintbrush, it could be a stethoscope, it could be the tools of ***agriculture***. There are just so many tools. You put one of those tools in her hands, she is inspired. You have lit her life on fire of what is possible. I would say this morning, when we all got up and we are having our breakfast, somewhere in America, many places in America, there were young families sitting around the table, maybe a husband and wife that have maybe young children, who, because of unemployment or underemployment, they are just wondering how they are going to pay the bills. This is a piece of legislation that serves that man and that woman to be able to get back into the workforce. Perhaps, Mr. Speaker, to get back into the workforce for the first time in a generation. {time} 1315 For those folks who are living in intergenerational poverty, they have been in poverty so long that they don't recall what happened in generations past that placed their family in that situation. But this is a rung on the ladder of opportunity to climb out of those circumstances. Mr. Speaker, there are many places in this country today where employers are waking up faced with a difficult decision. They have had a business that has been very, very successful. They have done well in life, and they have got a great product or a great service. They have got a great location. They have got a great marketing plan. They have got a great compliance plan to deal with overregulation. But what they don't have is a qualified and trained workforce. They have two decisions to make that morning. All of it involves shuttering that business, closing it, putting plywood on the doors and the windows, and just walking away and enjoying what they have earned and accumulated; or moving that business overseas where, perhaps, there are more warm bodies to be able to fill those jobs. This bill serves those employers as well. And so, once again, I want to thank Representative Krishnamoorthi as well as all of the Members of the House Committee on Education and the Workforce. Mr. Speaker, I urge all Members to support the Senate amendment to H.R 2353, and I yield back the balance of my time. Mr. ESTES of Kansas. Mr. Speaker, as a member of the Education and the Workforce Committee, and representative of Kansas' manufacturing hub known as the Air Capital of the World . . . I have heard repeatedly about the skills gap facing employers and today's labor force. For a generation . . . many have stressed the importance of a 4-***year*** degree over that of a technical skill. While a 4-***year*** degree remains vitally important . . . we must not forget the equal need for career and technical education . . . especially when our economy now has more job openings than qualified applicants. That's why I'm proud to support H.R 2353. This bipartisan bill helps more Americans enter the workforce with skills they need to succeed. The bill provides local leaders more resources and flexibility to adapt to changing education and economic needs; supports more collaboration between employers and educators to close the skills gap; streamlines performance measures for CTE ***programs***; and reigns in Washington's control over individual curriculums and performance. I urge my colleagues to support this bill. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Thompson) that the House suspend the rules and concur in the Senate amendment to the bill, H.R 2353. The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the Senate amendment was concurred in. A motion to reconsider was laid on the table.

**Load-Date:** July 28, 2018

**End of Document**



[***Register of Commission documents: European Parliament resolution of 5 July 2018 on the mandate for the trilogue on the 2019 draft budget (2018/2024(BUD)) Document date: 2018-07-05 P8\_TA-PROV(2018)0311 Texts adopted (provisional edition***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S5R-4D91-F0YC-N4DS-00000-00&context=1516831)

Impact News Service

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**Length:** 6949 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2018)0311 2019 budget - Trilogue mandate European Parliament resolution of 5 July 2018 on the mandate for the trilogue on the 2019 draft budget (2018/2024(BUD)) The European Parliament, – having regard to Article 314 of the Treaty on the Functioning of the European Union, – having regard to Article 106a of the Treaty establishing the European Atomic Energy Community, – having regard to the draft general budget of the European Union for the financial ***year*** 2019, which the Commission adopted on 23 May 2018 (COM(2018)0600), – having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/20021, – having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the ***years*** 2014-20202 and its subsequent amendment by Council Regulation (EU, Euratom) No 2017/1123 of 20 June 20173, – having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management4, – having regard to its resolution of 15 March 2018 on general guidelines for the preparation of the 2019 budget, Section III – Commission5, 1 OJ L 298, 26.10.2012, p. 1. 2 OJ L 347, 20.12.2013, p. 884. 3 OJ L 163, 24.6.2017, p. 1. 4 OJ C 373, 20.12.2013, p. 1. 5 Texts adopted, P8\_TA(2018)0089. – having regard to the Council conclusions of 20 February 2018 on the 2019 budget guidelines (06315/2018), – having regard to Rule 86a of its Rules of Procedure, – having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A8-0247/2018), Draft budget 2019 - reinforcing solidarity and preparing for a sustainable future 1. Recalls that in its resolution of 15 March 2018 Parliament identified the following priorities for the 2019 EU budget: sustainable growth, innovation, competitiveness, security, the fight against climate change and the transition to renewable energy and migration, and also called for a particular focus on young people; 2. Underlines that the EU must be a frontrunner in implementing the UN Sustainable Development Goals (SDGs) through their mainstreaming into all EU policies; 3. Recalls that the 2019 EU budget will be the last under the current parliamentary term and will be negotiated in parallel with the negotiations on the next multiannual financial framework (MFF) and the reform of EU own resources; recalls also that the UK has committed to contribute to, and participate in, the implementation of the Union annual budgets for 2019 and 2020 as if it had remained in the Union after March 2019; 4. Welcomes the Commission proposal and believes that it corresponds broadly to Parliament’s own priorities; intends to further reinforce key ***programmes*** and ensure an appropriate level of financing corresponding to the latter; notes the increase of 3,1 % in commitment appropriations and the lower percentage of GNI as compared to 2018 both for commitment appropriations (1 % as compared to 1,02 %) and ***payment*** appropriations (0,9 % as compared to 0,92 %); 5. Welcomes the proposed reinforcements to Horizon 2020, the Connecting Europe Facility (CEF), Erasmus+ and ***programmes*** contributing to increase the security of EU citizens; points, however, to the need to further reinforce support for SMEs, which are key to enabling economic growth and job creation, and to dedicate appropriate resources to the digitalisation of EU industry and the promotion of digital skills and digital entrepreneurship, as well as to ***programmes*** supportive of young people, and specifically ErasmusPro; recalls its conviction that the Erasmus+ budget for 2019 needs to be at least doubled; 6. Welcomes the launch of Discover EU, the distribution of 15 000 Interrail tickets to 18-***year***-old Europeans in 2018, as well as the Commission proposal of EUR 700 million for the MFF 2021-2027, which fits well with the EU’s ambitions to promote learning mobility, active citizenship, social inclusion and solidarity among all young people; regrets that the Commission did not propose any appropriations for 2019 and 2020; is determined to continue the Preparatory Action in 2019 and 2020; 7. Takes note of the Commission’s pre-assessment of the continuation of the Preparatory Action on the Child Guarantee scheme; underlines the reference made therein to a possible larger-scale implementation under the European Social Fund; suggests that the opportunity of a third implementation phase be taken in order to prepare for this larger-scale implementation under the ESF+; 8. Regrets the fact that the increase for the EU ***programme*** for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), in comparison with the 2018 budget, is only 2,3 % (EUR 362,2 million in commitment appropriations), and that the proposed ***payment*** appropriations are lower by 0,6 %; recalls that this is a successful ***programme*** which has far more applicants than recipients of funding; stresses that SMEs are an important driver of employment, economic growth and competitiveness in the EU, represent the backbone of the European economy, and have the capacity to create growth and jobs; urges, as a top priority, that this be reflected in sufficient funding for SME ***programmes*** and a further increase in appropriations for COSME given the success of this ***programme***; 9. Commends the role of the European Fund for Strategic Investments (EFSI) in reducing the investment gap in the EU; calls, in the framework of an optimal regional and sectorial balance, for reinforcement of the social dimension of EFSI deployment, including innovation in healthcare and medicine, social infrastructure, environmental protection, sustainable transport, renewable energy and energy storage infrastructures; reiterates its long-standing position that any new initiatives within the MFF must be financed by new appropriations and not to the detriment of the existing ***programmes***; reiterates also its commitment to reinforce Horizon 2020 and CEF so as to reverse as far as possible the cuts made to those ***programmes*** to finance the extension of EFSI in the 2019 budget; 10. Notes the commitment to a renewed EU defence agenda, namely through the agreement on the European Defence Industrial Development ***Programme*** (EDIDP), as a first stage of the European Defence Fund; believes that this shared commitment will contribute to achieving economies of scale and greater coordination among Member States and businesses, allowing the EU to retain its strategic autonomy and become a genuine world player; 11. Notes that the Commission has proposed an increase for the Youth Employment Initiative (YEI) of EUR 233 million, in line with financial ***programming***; reaffirms once again that Parliament did not agree to any frontloading of the 2018-2020 top-up resulting from the MFF mid-term revision (MTR); maintains that the budgetary authority retains in full its prerogatives as regards deciding the levels of funding of all ***programmes***, including those which have been subject to the MFF MTR; underlines the importance of sincere cooperation between the institutions, and calls on all actors concerned to retain trust throughout the 2019 budgetary procedure; 12. Remains committed to the fight against unemployment and against youth unemployment in particular; believes in this respect that the YEI should be further strengthened, thus reflecting the need to step up EU funding in order to achieve the Pillar of Social Rights, in spite of the complexities involved in reprogramming YEI and ESF ***programmes*** in case of modifications of the YEI envelope; recognises that youth unemployment has not been adequately addressed across the EU, with youth unemployment still higher than 2007 levels; calls on the Commission to guarantee that Member States do not replace their own policies and funding with YEI funding to fight youth unemployment but, rather, use it as a complement; emphasises the fact that both vocational training and apprenticeship constitute efficient practices to tackle youth unemployment; stresses that mobility through Erasmus Pro strongly stimulates benchmarking for implementation of best practices; 13. Stresses that in 2019 cohesion policy ***programmes*** will be at cruising speed, and emphasises Parliament’s commitment to ensuring adequate appropriations for these ***programmes***; welcomes the fact that almost all of the managing authorities for the 2014-2020 ***programmes*** have now been designated; points out that the unacceptable delays in the implementation of operational ***programmes*** have been to a large extent due to the late designation of those authorities; calls on the Member States to ensure that the implementation of the ***programmes*** is accelerated so as to catch up with the delays, and to seek the Commission’s assistance in this respect; 14. Takes note of the reports on the functioning of regional and cohesion policy in the Union and the economic challenges facing lagging regions, which recurringly point out shortcomings as regards efficiency and results; 15. Take notes of the fact that the Commission proposal would enable reaching the target of 20 % of the budget being dedicated to climate spending in 2019; regrets, however that the Commission has not followed up on Parliament’s request regarding offsetting the lower allocations made during the first ***years*** of the MFF; considers this proposal to be insufficient since in total only 19,3 % of the EU budget 2014-2020 would be dedicated to climate-related measures, which would prevent the EU from meeting its target of climate mainstreaming of at least 20 % during 2014-2020, also if it again allocates only 20 % of the budget to climate protection in 2020; regrets that the Commission has not been able to present draft budgets that are aligned with the commitments and targets set by the Union in this field in the European Council conclusions of 7-8 February 2013; believes that more should be done through the development of an action plan within ***programmes*** having massive potential, as for example under Horizon 2020, CEF, European Social Fund (ESF), European ***Agricultural*** Guarantee Fund (EAGF), European ***Agricultural*** Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF) or LIFE+, as these ***programmes*** allow notably for investments in energy efficiency and renewable energy; recalls the Court of Auditors' reasoned criticism as regards the methodology deployed by the Commission, and calls for swift improvements in this light and in this regard; 16. Welcomes the commitment of the Commission to improve the biodiversity tracking methodology; disapproves, however, the proposed decrease of the total contribution to biodiversity protection to 8,2 %, which is in contrast to the objective of halting and reversing the loss of biodiversity and ecosystem services by 2020; 17. Believes that ensuring the security of the Union's citizens and addressing the challenges of migration and refugees remain two top Union priorities in 2019; deems it crucial to maintain spending in these areas at a level that is adequate to respond to the needs raised by the migration and refugee crisis in the African continent, especially in the Sahel, as well as in the Levant countries and the Mediterranean sea; considers that the necessary solidarity among Member States in order to manage the flow of migration, in particular once the revision of the Dublin Regulation has been adopted, has to be reflected in the EU budget; notes that the 2019 draft budget integrates the budgetary implications of the Commission’s proposal; 18. Emphasises that several important legislative initiatives under negotiation or in the early stages of implementation, such as the revision of the Dublin Regulation, the establishment of the Entry/Exit System and the European Travel Information and Authorisation System, the upgrading of the Schengen Information System and the initiative on interoperability of EU information systems for security, borders and migration management, are expected to have significant budgetary implications for the 2019 budget, and underlines the importance of adequate financing to match the Union’s ambition in these areas; encourages the Commission to engage in an open and proactive dialogue with the budgetary authority on the above initiatives, in order to allow it to adjust appropriations, where necessary and without prejudging, during the annual budgetary procedure, the outcome of ongoing legislative procedures; 19. Regrets the Commission’s proposal for the funding of the second tranche of the Facility for Refugees in Turkey (FRT) and the subsequent agreement reached between Member States in the Council on 29 June 2018; supports the continuation of the FRT, but maintains that, as also proposed by the Commission on 14 March 2018, the EU budget should contribute to its financing to the sum of EUR 1 billion, with Member States contributing EUR 2 billion by means of bilateral contributions, in order to leave sufficient margins under the MFF special instruments for unforeseen events in the last two ***years*** of the current MFF, as well as the financing of other priorities; also maintains that as the FRT has been a new initiative within this MFF, it should be funded by fresh appropriations; regrets that, despite Parliament's clear request to be fully associated with the decision-making process relating to the extension of the FRT, inter alia to avoid the repetition of the procedure of its setting-up, no negotiations on the financing of the second tranche of the FRT have so far taken place between Parliament and the Council; informs Member States that Parliament has every right to assume its role as an arm of the budgetary authority of the Union and that it will do so, as already announced on previous occasions; 20. Notes that the draft budget for 2019 leaves very limited margins or no margin under the MFF ceilings throughout Headings 1a, 1b, 3 and 4, as a consequence of the limited flexibility of the current MFF in terms of responding to new challenges and accommodating new initiatives; expresses its intention to further mobilise the flexibility provisions under the revised MFF as part of the amending process; 21. Remains concerned at the possible reconstitution of a backlog of unpaid bills towards the end of the current MFF period; notes the moderate increase of 2,7 % in ***payment*** appropriations over the 2018 budget, mainly due to the Asylum, Migration and Integration Fund (AMIF), Internal Security Fund (ISF) and FRT; notes the proposed margin of EUR 19,3 billion under the ***payment*** ceiling; invites the Commission to remain vigilant on the evolution of ***payments***, so as to allow the budgetary authority to take the necessary measures to avoid an abnormal backlog in due time; is convinced that the credibility of the EU is also linked to its ability to ensure an adequate level of ***payment*** appropriations in the EU budget in order to deliver on its commitments; Subheading 1a – Competitiveness for growth and jobs 22. Notes that in comparison with 2018, the Commission proposal for 2019 corresponds to an increase in commitments under Subheading 1a of +3,9 %, to EUR 22 860 million; notes that Horizon 2020, CEF, Large Infrastructure Projects and Erasmus+ account for an important part of this increase as their commitment appropriations have risen by 8,5 %, 36,4 %, 7,8 % and 10,4 % respectively; underlines, however, that these increases are mostly in line with the financial ***programming*** and thus do not constitute additional reinforcements; 23. Recalls that ***programmes*** related to research and innovation, such as Horizon 2020, are essential for the creation of jobs and competitiveness within Europe; urges the Commission to reflect this within its priorities; calls for an appropriate level of funding for ***programmes*** related to research and innovation; stresses that in particular, Member States facing economic and financial difficulties should be supported in this area; 24. Recalls that new initiatives in the past few ***years*** such as EFSI (I and II), Wifi4EU and the EDIDP have come at the expense of several ***programmes*** under Subheading 1a which were severely impacted by redeployments, namely Horizon 2020, CEF, Galileo, ITER, Copernicus and the European Geostationary Navigation Overlay Service (EGNOS); 25. Stresses that Erasmus+ remains the leading ***programme*** for fostering youth mobility at all levels of education and vocational training and encouraging young people to take part in European democracy; recalls that administrative efforts need to be made to increase access to Erasmus+ and that the volume of eligible applications is by far exceeding the current budget; believes, therefore, that the envelope of Erasmus+ should be able to meet the eligible demand for this ***programme***, notably that linked to lifelong learning; 26. Notes with concern the discussions on the financing of the European Solidarity Corps (ESC), which confirmed Parliament’s fear that new initiatives would come at the expense of existing well-performing ***programmes***; notes as well with concern the precedent set by the outcome of the trilogue procedure, which fails to provide clarity on the sources of financing of the initiative, leaving further clarification to the annual budgetary procedure; expects the Commission to implement the agreement in a way that fully reflects the discussions in trilogue and the spirit of the agreement; 27. Welcomes the fact that the agreement reached on the financing of the EDIDP foresees much lower cuts to Subheading 1a ***programmes*** than those initially proposed by the Commission; is, however, concerned that the Council appears to put more emphasis on maintaining margins than on providing sufficient funding for what it identifies itself as high priorities; 28. Welcomes the allocation of EUR 500 million to the EDIDP for 2019 and 2020; notes that, according to EPRS estimates, the lack of cooperation between national industries in this field costs the EU EUR 10 billion per ***year***; considers that defence is a clear example of how greater effectiveness could be achieved by ***transferring*** certain competences and actions currently performed by the Member States and the corresponding appropriations to the EU; emphasises that this would result in the demonstration of European added value and would make it possible to limit the overall burden of public expenditure in the EU; 29. Welcomes the proposal for the creation of the European High Performance Computing Joint Undertaking, which will promote the latest high performance computing and data infrastructure and support the development of its technologies and application across a wide range of fields, to the benefit of scientists, industry and the public sector; Subheading 1b – Economic, social and territorial cohesion 30. Notes that total commitment appropriations for Subheading 1b amount to EUR 57 113,4 million, representing an increase of 2,8 % compared to the 2018 budget; further notes that the proposed amount of EUR 47 050,8 million in ***payment*** appropriations is 1,1 % higher than in 2018; 31. Welcomes the fact that the implementation of the 2014-2020 ***programmes*** is reaching full speed, and reiterates that any ‘abnormal’ buildup of unpaid bills must be avoided in the future; also welcomes the fact that the great majority of the national managing authorities have now been designated; calls on the Commission and the Member States to resolve any outstanding issues in order for the implementation to proceed smoothly; 32. Recalls that, as a result of revised forecasts by the Member States, Amending Budget 6/2017 reduced the ***payment*** appropriations under Subheading 1b by EUR 5,9 billion; sincerely hopes that both the national authorities and the Commission have improved their estimates of ***payment*** needs in the 2019 budget and that the proposed level of ***payment*** appropriations will be fully executed; 33. Underlines that in times of rapid technological development – including in fields such as AI – the divide between fast developing regions and lagging ones might widen if the impact of the Structural Funds is not enhanced by conditionalities of efficiency; 34. Notes the Commission’s proposal to fund the continuation of the YEI, as well as the proposed mobilisation of EUR 233,3 million from the Global Margin for commitments; recalls that any increase in the dedicated allocation for the YEI should be matched with the corresponding amounts from the ESF; recalls the commitment made by the Commission at the conciliation on the 2018 budget to swiftly present the revision of the Common Provisions Regulation (CPR) in order to include the 2018 increase for the YEI; underlines that the Commission has not lived up to its commitment, and requests it to explain in detail the reasons for the delay in the presentation of the CPR revision; 35. Commits to adopting the new YEI and ESF legislation rapidly in order to facilitate an ambitious increase in YEI appropriations in 2019 without undermining other ***programmes*** running under the ESF in Member States, potentially by relieving Member States of their obligation to match ESF appropriations dedicated to youth employment, under the strict condition that the proposed modifications would neither allow Member States to be excused from the financial commitments they have already made in this area, nor imply a decrease in general terms of EU budget appropriations dedicated to the fight against youth unemployment; Heading 2 – Sustainable growth: natural resources 36. Takes note of the proposed EUR 59 991,1 million in commitments (+1,2 % compared to 2018) and EUR 57 790,4 million in ***payments*** (3 %) for Heading 2; notes that EAGF expenditure for 2019 is estimated at EUR 44 162,5 million, which is lower than in the 2018 budget (by EUR -547,9 million); 37. Notes that the Commission has left a EUR 344,9 million margin under the ceiling of Heading 2; points to the fact that increased volatility of ***agricultural*** markets, such as experienced with the Russian ban, might justify recourse to this margin; calls on the Commission to ensure that the margin left under the ceilings is sufficient to address any crises that may arise; 38. Notes that some measures related to the Russian ban and included in the 2018 budget will not be extended (e.g for fruit and vegetables where the market situation is still difficult), while market difficulties can still be found in the dairy sector; awaits the Commission’s letter of amendment, expected in October, which should be based on updated information on EAGF funding in order to verify the real needs in the ***agricultural*** sector; underlines that cases where market intervention is needed under the EAGF remain limited and represent only a relatively small part of the EAGF (around 5,9 %); 39. Stresses that part of the solution for combating youth unemployment lies in adequately supporting young people in rural areas; regrets that the Commission has not proposed increasing the budget line for young farmers; 40. Underlines that the implementation of the EMFF is accelerating and should approach cruising speed in 2019, following a slow start at the beginning of the ***programming*** period; welcomes the increase in commitments for the LIFE+ ***programme*** (+6 %), in line with financial ***programming***; notes that the European Environment Agency (EEA) will assume additional responsibilities in the period 2019-2020 for environmental monitoring and reporting, as well as for the verification of CO2 emissions from heavy duty vehicles; Heading 3 – Security and Citizenship 41. Notes that a total of EUR 3 728,5 million in commitment appropriations is proposed for Heading 3, which represents a 6,7 % increase over 2018, and that the total for ***payment*** appropriations is EUR 3 486,4 million, i.e a 17 % increase over last ***year***’s proposals; underlines, however, that these increases follow ***years*** of declining funding levels and that overall funding for different key areas such as migration, border management or internal security still represents only 2,3 % of total proposed EU spending in 2019; questions the proposed EUR 281,2 million in commitments for supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies, which represents a 14,4 % decrease over 2018; calls on the Commission to provide further explanations as to the reasons for this cut; 42. Notes that, for the fourth consecutive ***year***, all margins under the Heading 3 ceiling are exhausted, proving that as things stand today the EU budget is not fully equipped to deal with the scale and depth of the present migration and security challenges facing the Union; welcomes, in this regard, the proposed mobilisation of the Flexibility Instrument for an amount of EUR 927,5 million in commitment appropriations; 43. Expects the pressure on some Member States’ migration and asylum systems, as well as on their borders, to remain high in 2019, and urges the Union to remain vigilant regarding any future, unpredictable needs in these areas; calls in this regard for the reinforcement of the means of control at the external borders, and in this context for an adequate funding and staffing of the EU agencies dealing with these issues, and reaffirms that tackling the root causes of the migration and refugee crisis represents a long-term sustainable solution, along with stabilisation of the EU’s neighbourhoods, and that investments in the countries of origin of migrants and refugees are key to achieving this objective; 44. Welcomes the European Council’s request of 28 June 2018 to further strengthen Frontex through increased resources and an enhanced mandate; asks for further information as to how many staff will be sent by the Member States and how many staff will be needed directly by the agency itself; invites the Commission to adapt its draft budget accordingly in the autumn amending letter; welcomes as well the additional EUR 45,6 million awarded to support Greece and Spain in their management of the flow of arriving migrants on their territory; underlines that effective border control must be accompanied with proper care of arriving migrants; 45. Notes that the instrument allowing the provision of emergency humanitarian support within the Union will expire in March 2019; invites the Commission, against the backdrop of persisting humanitarian needs of refugees and asylum seekers in certain Member States, to assess whether a reactivation and replenishment of this instrument would be appropriate; highlights the need for greater solidarity towards those countries in which arrivals and asylum seekers are concentrated; underlines, in the meantime, the importance of the continued availability of funding through the emergency assistance mechanisms under the AMIF, notably for the continued support of Greece; considers that financial support should also be granted to Italy; calls, therefore, on the Commission to state the reasons which led it not to propose this; recalls that Italy is the only Member State where a majority of the population consider that they have not benefited from membership of the European Union; regrets the sharp decrease in commitment appropriations for the second AMIF component, 'Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies'; 46. Believes that in the context of a wide range of security concerns, including changing forms of radicalisation, cybercrime, violence and terrorism that surpass individual Member States’ capacity to respond, the EU budget should encourage cooperation on security-related matters with the help of established EU agencies; in this context, questions how this high-risk security context is reconcilable with the proposed significant decrease of commitment appropriations (-26,6 %) for the ISF; highlights that spending in this area is efficient only when obstacles to intra-European cooperation and targeted information sharing are removed while fully applying any relevant data protection in line with EU legislation; regrets that the Commission has still not presented a proposal which would provide for the expression of financial solidarity at EU level to victims of acts of terrorism and their families, and calls on the Commission to do the necessary to ensure that such aid is put in place rapidly; 47. Takes note of the proposed revision of the legal base of the Union Civil Protection Mechanism, which, once adopted, is expected to have a major budgetary impact in the last two ***years*** of the current MFF, with EUR 256,9 million to be borne by Heading 3 alone; insists that it is only logical that this significant upgrading of a key Union policy should be financed through new and additional means; warns against the use of redeployments, which are clearly at the expense of other valuable, well-functioning policies and ***programmes***; 48. Reconfirms Parliament’s strong support for Union ***programmes*** in the areas of culture, justice, fundamental rights and citizenship; welcomes the proposed increase for the Creative Europe ***Programme***; insists, furthermore, on sufficient funding for the Europe for Citizens ***programme*** and the European Citizens’ Initiatives, particularly in the run-up to the European elections; 49. Recalls Parliament’s support for the rights, equality, citizenship and justice ***programmes***; underlines that the EU must maintain its commitment to enforcing women's and LGBTI rights; 50. Welcomes the increase in commitment appropriations for the Food and Feed ***programme***, which should allow the Union to manage effectively any outbreaks of serious animal diseases and plant pests, including the recent epidemic of avian influenza that hit several Member States in recent ***years***; 51. Calls on the Commission to provide adequate budget funding to raise the profile of the 2019 European Parliament elections and increase the effectiveness of media coverage thereof, and in particular to promote knowledge of the ‘Spitzenkandidaten’, the candidates for the Commission presidency; Heading 4 – Global Europe 52. Takes note of the overall increase in proposed financing for Heading 4, amounting to EUR 11 384,2 million (+13,1 % compared with the 2018 budget) in commitment appropriations; notes that this increase is linked primarily to the financing of the second tranche of the FRT, for which the Commission proposes mobilising the Global Margin for commitments (EUR 1 116,2 million); notes that this proposal would result in an absence of margin under the ceiling of Heading 4; 53. Calls on the Member States to provide higher contributions to the Africa Trust Fund, the 'Madad' Fund, and the European Fund for Sustainable Development, in order to support stabilisation in crisis regions, provide aid to refugees, and foster social and economic development on the African continent and in the countries of the European neighbourhood; 54. Remains convinced that the challenges that the EU’s external action is faced with call for sustained funding exceeding the current size of Heading 4; maintains that new initiatives should be funded with fresh appropriations and that all flexibility options should be fully used; opposes, however, the proposed financing of the FRT extension and the related deal reached in the Council on 29 June 2018, as they would substantially limit both the funding possibilities of other priority areas within Heading 4 and the instrumental role of the EU budget in reaching out to people in need and promoting fundamental values; 55. Welcomes the increases aimed at migration-related projects linked to the Central Mediterranean Route, as well as the moderate increase for the Eastern component of the European Neighbourhood Instrument (ENI) and the reallocation of priorities under the Development Cooperation Instrument (DCI) to the Middle East; calls for the allocation of sufficient financial resources to UNRWA, in order to ensure continuous support for Palestinian refugees in the region, in light of the recent US decision to withdraw its contribution to the agency; 56. Welcomes the increased support for regional actions in the Western Balkans; is, however, of the opinion that support for political reforms should be further stepped up; regrets the increased support for political reforms in Turkey (IPA II) and questions its alignment to the budgetary authority’s decision to reduce the appropriations on this line for the current budgetary ***year***; reiterates its position in which it called for funds destined for the Turkish authorities under the IPA II to be made conditional on improvements in the field of human rights, democracy and the rule of law; calls for the appropriations on this line, if no progress is made in these fields and being aware of the limited space for manoeuvre, to be predominantly redirected to civil society actors with a view to implementing measures supportive of the objectives relating to the rule of law, democracy, human rights and media freedoms; supports the overall downward trend for political reforms in the allocations for Turkey; 57. Underlines the noticeable decrease in the amount to be provisioned in the 2019 budget to the Guarantee Fund for external actions managed by the European Investment Bank (EIB), as well as the substantial reduction of the planned amount of macrofinancial assistance (MFA) grants, due to a lower amount of outstanding EIB loans than previously estimated, as well as to a lower disbursement of MFA loans compared to the latest financial ***programming***; 58. Reaffirms its full support for the pledges made by the EU at the Brussels conferences on Syria, confirming those made previously; agrees with the reinforcement of the ENI and of humanitarian aid by EUR 120 million each in order to meet this pledge in 2019; 59. Reiterates its support for the allocation of adequate financial resources to EU strategic communication aimed at tackling disinformation campaigns and cyberattacks, as well as the promotion of an objective image of the Union outside its borders; Heading 5 – Administration 60. Notes that Heading 5 expenditure is increased by 3,0 % compared to the 2018 budget, up to EUR 9 956,9 million (+EUR 291,4 million) in commitment appropriations; notes that, as for the previous budgetary exercise, the increase is mostly driven by the evolution of pensions (+ EUR 116,7 million), representing 20,2 % of Heading 5 expenditure; observes that the share of expenditure on administration in the draft budget remains unchanged at a level of 6,0 % in commitment appropriations; 61. Acknowledges the efforts made by the Commission to integrate all possibilities for savings and rationalisations in non-salary-related expenditure for its own budget; notes that the evolution of the Commission’s expenditure (+ 2,0 %) is mostly due to the automatic adaptation of salary expenditure and contractual commitments; further notes the Commission’s internal redeployment of staff to fulfil its new priorities; 62. Notes that the effective margin is EUR 575,2 million under the ceiling after the offsetting of EUR 253,9 million for the use of the contingency margin mobilised in 2018; considers the margin to be important in nominal terms, and believes it reflects the efforts made by the Commission, in particular to freeze the evolution of non-salary expenditure; believes that an additional effort to stabilise or reduce the Commission's administrative expenditure could lead to the postponement of important investments or jeopardise the proper functioning of the administration; Pilot projects - preparatory actions 63. Stresses the importance of pilot projects (PPs) and preparatory actions (PAs) as tools for the formulation of political priorities and the introduction of new initiatives that might turn into standing EU activities and ***programmes***; intends to proceed with the identification of a balanced package of PP-PAs, reflecting the political priorities of Parliament and taking into account a proper and timely pre-assessment by the Commission; notes that in the current proposal, the margin in some headings is limited or even non-existent, and intends to explore ways to make room for possible PP-PAs in ways that are not detrimental to other political priorities; Agencies 64. Notes the overall increase in the draft budget 2019 of the allocations for the decentralised agencies, of +10,8 % (without taking into account assigned revenues) and +259 posts; welcomes the fact that for the majority of the agencies their own budget increases while the EU contribution decreases; notes in this regard that Parliament is currently exploring the possibilities of further extending the fee-financing of decentralised agencies; notes with satisfaction that agencies with ‘new tasks’ (ESMA, eu-LISA and FRONTEX) are granted a significant increase in appropriations and establishment plan staff; calls for further financial support for the agencies that are dealing with migration and security challenges; believes that Europol and Eurojust should be further strengthened and that EASO should receive adequate financing for its transformation into the European Asylum Agency; 65. Reiterates its position that the 5 % staff reduction target has been successfully reached and underlines that in the light of the Court of Auditors’ rapid case review, this practice did not necessarily meet the expected results; believes that the decentralised agencies need to be assessed using a case-by-case approach; welcomes the endorsement by all institutions of the recommendations of the Interinstitutional Working Group; 66. Welcomes the creation of two new EU bodies to be considered as decentralised agencies, respectively the European Public Prosecutor’s Office (EPPO) and the European Labour Authority (ELA); notes that appropriations corresponding to the ELA have been put into reserve pending the finalisation of the legislative procedure; notes that the EPPO has its seat in Luxembourg, and asks it to submit to the two branches of the budgetary authority all information on its buildings policy pursuant to the Financial Regulation; considers that new agencies have to be created by allocating fresh resources and new posts, while avoiding any kind of redeployment unless it is clearly demonstrated that certain activities are entirely ***transferred*** from the Commission or other existing bodies, such as Eurojust, to the new agencies; notes that Eurojust remains competent to deal with PIF cases, in close cooperation with EPPO, while being fully engaged in ensuring operational support to Member States in the fight against organised crime, terrorism, cybercrime and migrant smuggling; recalls the provisions laid down in the Common Approach for newly created decentralised agencies; 67. Expects the negotiations on the 2019 budget to be based on the principle that both branches of the budgetary authority make a commitment to start the negotiations at the earliest possible stage and to fully exploit the timespan of the whole conciliation period, while providing a level of representation that ensures a genuine political dialogue; ° ° ° 68. Instructs its President to forward this resolution to the Council and the Commission.

ANNEX JOINT STATEMENT ON THE DATES FOR THE BUDGETARY PROCEDURE AND MODALITIES FOR THE FUNCTIONING OF THE CONCILIATION COMMITTEE IN 2018 A. In accordance with Part A of the annex to the interinstitutional agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, the European Parliament, the Council and the Commission agree on the following key dates for the 2019 budgetary procedure: 1. The Commission will endeavour to present the Statement of Estimates 2019 by late May; 2. A trilogue will be called on 12 July in the morning, before the adoption of the Council’s position; 3. The Council will endeavour to adopt its position and transmit it to the European Parliament by week 37 (third week of September), in order to facilitate a timely agreement with the European Parliament; 4. The European Parliament’s Committee on Budgets will endeavour to vote on amendments to the Council’s position by the end of week 41 (mid-October) at the latest; 5. A trilogue will be called on 18 October in the morning, before the reading of the European Parliament; 6. The European Parliament’s Plenary will vote on its reading in week 43 (Plenary session of 22-25 October); 7. The Conciliation period will start on 30 October. In agreement with the provisions of Article 314(4)(c) TFEU, the time available for conciliation will expire on 19 November 2018; 8. The Conciliation Committee will meet on 7 November in the morning hosted by the European Parliament and on 16 November hosted by the Council and may resume as appropriate; the sessions of the Conciliation Committee will be prepared by trilogue(s). A trilogue is scheduled on 7 November in the morning. Additional trilogue(s) may be called during the 21-day conciliation period, including possibly on 14 November (Strasbourg). B. The modalities for the functioning of the Conciliation Committee are set out in Part E of the annex to the above-mentioned interinstitutional agreement.

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**Body**

Washington: The Library of Congress, The Government  of USA has issued the following house proceeding:

 SA 3346. Mr. ROBERTS (for Mr. Wyden (for himself, Ms. Murkowski, Mr. Bennet, and Mr. Gardner)) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: On page 1203, strike line 3 and insert the following: ricultural systems. ``(16) Hop plant health initiative.--Research and extension grants may be made under this section for the purposes of developing and disseminating science-based tools and treatments to combat diseases of hops caused by the plant pathogens Podosphaera macularis and Pseudoperonospora humuli.''. \_\_\_\_\_\_ SA 3347. Mr. WYDEN submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of part II of of subtitle F of title VIII, add the following: SEC. 86\_\_. FOREST ROADS AND TRAILS ACT. Public Law 88-657 (16 U.S.C 532 et seq.)

(commonly known as the ``Forest Roads and [[Page S4749]] Trails Act'') is amended by adding at the end the following: ``SEC. 8. FOREST SERVICE LEGACY ROADS AND TRAILS REMEDIATION ***PROGRAM***. ``(a) Definitions.--In this section: ``(1) National forest system.--The term `National Forest System' has the meaning given the term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C 1609(a)). ``(2) Secretary.--The term `Secretary' means the Secretary, acting through the Chief of the Forest Service. ``(b) ***Program***.--Not later than 180 days after the date of enactment of this section, the Secretary shall establish, and develop a national strategy to carry out, a ***program***, to be known as the `Forest Service Legacy Roads and Trails Remediation ***Program***', within the National Forest System to implement for each unit of the National Forest System the minimum road system identified under subsection (c). ``(c) Identification of Minimum Road System.--Not later than 3 ***years*** after the date of enactment of this section, in accordance with section 212.5(b) of title 36, Code of Federal Regulations (as in effect on the date of enactment of this section), the Secretary shall identify for each unit of the National Forest System-- ``(1) the minimum road system; and ``(2) any unneeded roads. ``(d) Contents.--In carrying out subsections (b) and (c), the Secretary shall use the priorities described in section 212.5(b)(2) of title 36, Code of Federal Regulations (as in effect on the date of enactment of this section). ``(e) Unneeded Roads.--The Secretary shall decommission any roads identified as unneeded under subsection (c) as soon as practicable after making the identification under that subsection. ``(f) Revision.--The Secretary shall review, and may revise, an identification made under subsection (c) for a unit of the National Forest System during a revision of the land and resource management plan applicable to the unit.''. \_\_\_\_\_\_ SA 3348. Mr. ROBERTS (for Mr. Isakson) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: On page 26, line 16, strike ``2020'' and insert ``2021''. At the end of subtitle E of title I, add the following: SEC. 15\_\_. LOSS OF PEACH AND BLUEBERRY CROPS DUE TO EXTREME COLD. (a) In General.--The Secretary shall provide compensation for expenses relating to losses of peach and blueberry crops that occurred-- (1) during ***calendar*** ***year*** 2017; and (2) due to extreme cold, as determined by the Secretary. (b) Funding.--Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $18,000,000, to remain available until expended. Strike section 1710. \_\_\_\_\_\_ SA 3349. Mr. CRUZ (for himself and Mr. Lee) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end, add the following: SEC. \_\_\_. WORK REQUIREMENTS FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS. (a) Declaration of Policy.--Section 2 of the Food and Nutrition Act of 2008 (7 U.S.C 2011) is amended by adding at the end the following: ``Congress further finds that it should also be the purpose of the supplemental nutrition assistance ***program*** to increase employment, to encourage healthy marriage, and to promote prosperous self-sufficiency, which means the ability of households to maintain an income above the poverty level without services and benefits from the Federal Government.''. (b) Definitions.-- (1) Food.--Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C 2012(k)) is amended by inserting before the period at the end the following: ``, except that a food, food product, meal, or other item described in this subsection shall be considered a food under this Act only if it is an essential (as determined by the Secretary)''. (2) Supervised job search.--Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (A) by redesignating subsections (t) through (v) as subsections (u) through (w), respectively; and (B) by inserting after subsection (s) the following: ``(t) Supervised Job Search.--The term `supervised job search' means a job search ***program*** that has the following characteristics: ``(1) The job search occurs at an official location where the presence and activity of the recipient can be directly observed, supervised, and monitored. ``(2) The entry, time onsite, and exit of the recipient from the official job search location are recorded in a manner that prevents fraud. ``(3) The recipient is expected to remain and undertake job search activities at the job search center. ``(4) The quantity of time the recipient is observed and monitored engaging in job search at the official location is recorded for purposes of compliance with the work and work activation requirements of sections 6(o) and 30.''. (3) Conforming amendment.--Section 27(a)(2) of the Food and Nutrition Act of 2008 (7 U.S.C 2036(a)(2)) is amended in subparagraphs (C) and (E) by striking ``3(u)(4)'' each place it appears and inserting ``3(v)(4)''. (c) Work Requirement for Able-Bodied Adults Without Dependents.--Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C 2015(o)) is amended-- (1) in paragraph (2)-- (A) in the matter preceding subparagraph (A), by striking ``not less than 3 months (consecutive or otherwise)'' and inserting ``more than 1 month''; (B) in subparagraph (C), by striking ``or'' at the end; (C) in subparagraph (D), by striking the period at the end and inserting ``; or''; and (D) by adding at the end the following: ``(E) participate in supervised job search for at least 8 hours per week.''; (2) in paragraph (4), by adding at the end the following: ``(C) Termination.--Subparagraph (A) shall not apply with respect to any fiscal ***year*** that begins after the effective date of the ***Agriculture*** Improvement Act of 2018.''; (3) in paragraph (6)-- (A) in the paragraph heading, by striking ``15-percent'' and inserting ``5-percent''; (B) in subparagraph (A)(ii)(IV), by striking ``3 months'' and inserting ``1 month''; and (C) in subparagraph (D), by striking ``15 percent'' and inserting ``5 percent''; and (4) by adding at the end the following: ``(8) Promoting work.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall provide each individual subject to the work requirement of this subsection with the opportunity to participate in an activity selected by the State from among the options described in subparagraphs (B), (C), and (E) of paragraph (2). ``(9) Penalties for inadequate state performance.--If a State agency fails to fully comply with this section, including the requirement to terminate the benefits of individuals who fail to fulfill the work requirements described in paragraph (2) during a fiscal quarter, the funding allotment of the State for the supplemental nutrition assistance ***program*** shall be reduced by 10 percent for the quarter that begins 180 days after the first day of the quarter in which the noncompliance occurred.''. SEC. \_\_\_\_\_. WORK ACTIVATION ***PROGRAM*** FOR ADULTS WITH DEPENDENT CHILDREN. The Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.) is amended by adding at the end the following: ``SEC. 30. WORK ACTIVATION ***PROGRAM*** FOR ADULTS WITH DEPENDENT CHILDREN. ``(a) Definitions.--In this section: ``(1) Eligible participant.--The term `eligible participant' means an individual who, during a particular month, is-- ``(A) a parent in a household with dependent children; ``(B) at least 19, and not more than 55, ***years*** of age; ``(C) not disabled; ``(D) a member of a household in which 1 or more parents or children receive supplemental nutrition assistance ***program*** benefits in the month; ``(E) a member of a household that received supplemental nutrition assistance ***program*** benefits for more than 3 months in the ***year***; and ``(F) employed less than 100 hours in the month. ``(2) Married couple household.--The term `married couple household' means a household that includes 2 eligible participants who are married to each other and have dependent children. ``(3) Successful engagement in work activation.--The term `successful engagement in work activation' means-- ``(A) in the case of an individual who is eligible and required to participate in interim work activation, performance during the month that fulfills the activity and hour requirements of subsection (c); ``(B) in the case of an individual who is required to participate in full work activation, performance during the month that fulfills the activity and hour requirements of subsection (d); and ``(C) in the case of an individual who meets the eligibility criteria described in subsection (e)(1), performance that fulfills the activity and hour requirements of that subsection. ``(4) Work and work preparation activities.--The term `work and work preparation activities' means-- ``(A) unsubsidized employment; ``(B) subsidized private sector employment; ``(C) subsidized public sector employment; [[Page S4750]] ``(D) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available; ``(E) on-the-job training; ``(F) job readiness assistance; ``(G) a community service ***program***; ``(H) vocational educational training (not to exceed 1 ***year*** with respect to any individual); ``(I) job skills training directly related to employment; ``(J) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; ``(K) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; ``(L) the provision of child care services to an individual who is participating in a community service ***program***; ``(M) workfare under section 20; and ``(N) supervised job search. ``(b) Work Activation ***Program***.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall be required to operate a work activation ***program*** for eligible participants. ``(2) Special rules for married couple households.-- ``(A) In general.--In the case of eligible participants who are spouses in a married couple household-- ``(i) the work activation requirement of this section shall apply only if the sum of the combined current employment of both spouses is less than 100 hours per month; and ``(ii) both spouses shall be considered to have achieved successful engagement in the work activation ***program*** if either spouse fulfills the work activation requirements described in subsection (c), (d), or (e)(1). ``(B) Total required hours.--The total combined number of hours of required work and work preparation activities for both spouses in a married couple household shall not be greater than the total number of hours required for a single head of household. ``(C) Requirement.--In carrying out this section, a State agency shall ensure that, for any month-- ``(i) the proportion that-- ``(I) the number of married couple households that are required to participate in work activation under this section in a month; bears to ``(II) the number of all households that are required to participate in work activation under this section in the same month; is not greater than-- ``(ii) the proportion that-- ``(I) the number of all married couple households with eligible participants in the month; bears to ``(II) the number of all households with eligible participants in the same month. ``(c) Short-Term Interim Work Activation.-- ``(1) In general.--A State agency may require eligible participants who meet the criteria in paragraph (2) to engage in-- ``(A) interim work activation as described in this subsection; or ``(B) full work activation as described in subsection (d). ``(2) Eligibility.--A State agency may require an eligible participant to participate in interim work activation instead of full work activation if the eligible participant has not engaged in work activation under this section in the preceding 3 ***years***. ``(3) Required job search.--A participant in interim work activation shall be required-- ``(A) to participate in supervised job search for at least 6 hours per week; and ``(B) to engage in such additional activities as the State agency may require. ``(4) Time limit on interim work activation.-- ``(A) In general.--An eligible participant shall not participate in interim work activation for more than 3 months. ``(B) Additional time.--After an eligible participant has participated in interim work activation for 3 months, the State agency shall require the eligible participant-- ``(i) to maintain at least 100 hours of employment per month; or ``(ii) to participate in full work activation. ``(d) Full Work Activation.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall require all or part of the eligible participants in the State to engage in full work activation under this section. ``(2) Requirements.--An eligible participant who is required to participate in full work activation in a month shall be required to engage in 1 or more work and work preparation activities for an average of 100 hours per month. ``(3) Limitation.--Of the total number of required hours described in paragraph (2), not fewer than 20 hours per week shall be attributable to an activity described in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (L), (M), or (N) of subsection (a)(4). ``(4) Participation in community service or workfare.--At least 10 percent of the eligible participants that a State requires to participate in full work activation under this section shall be required to participate in activities described in subparagraph (D), (G), or (M) of subsection (a)(4). ``(5) Work activation not employment.--Other than unsubsidized employment described in subsection (a)(4)(A), participation in work and work preparation activities under this section shall not be-- ``(A) considered to be employment; or ``(B) subject to any law pertaining to wages, compensation, hours, or conditions of employment under any law administered by the Secretary of Labor. ``(6) Additional required activity.--Except as provided in subsection (g), nothing in this section prevents a State from requiring more than 100 hours per month of participation in work and work preparation activities. ``(e) Limitations and Special Rules.-- ``(1) Single teen head of household or married teen who maintains satisfactory school attendance.--For purposes of determining monthly participation rates under this section, an eligible participant who is married or a head of household and who has not attained 20 ***years*** of age shall be considered to have completed successful engagement in work activation for a month if the eligible participant-- ``(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or ``(B) participates in education directly related to employment for an average of at least 20 hours per week during the month. ``(2) Limitation on number of persons who may be treated as engaged in work activation by reason of participation in educational activities.--For purposes of determining monthly participation rates under this section, not more than 30 percent of the number of individuals in a State who are treated as having completed successful engagement in work activation for a month may be individuals who are determined to be engaged in work activation for the month by reason of participation in vocational educational training. ``(f) State Option for Participation Requirement Exemptions.-- ``(1) In general.--For any fiscal ***year***, a State agency, at the option of the State agency, may-- ``(A) exempt a household that includes a child who has not attained 12 months of age from engaging in work activation; and ``(B) disregard that household in determining the monthly participation rates under this section until the child has attained 12 months of age. ``(2) Exclusion.--For purposes of determining monthly participation rates under this section, a household that includes a child who has not attained 6 ***years*** of age shall be considered to be successfully engaged in work activation for a month if a member of the household receiving supplemental nutrition assistance ***program*** benefits is engaged in work activation for an average of at least 20 hours per week during the month. ``(g) Penalties Against Individuals.-- ``(1) In general.--Except as provided in paragraph (3), if an eligible participant in a household receiving assistance under the State ***program*** funded under this section fails to complete successful engagement in work activation in accordance with this section, the State agency shall-- ``(A) in accordance with paragraph (2), reduce the amount of assistance otherwise payable to the entire household pro rata (or more, at the option of the State agency) with respect to the month immediately after any month in which the eligible participant fails to perform; or ``(B) terminate the assistance entirely. ``(2) Pro rata reduction.--For purposes of paragraph (1)(A), the amount of the pro rata reduction shall equal the product obtained by multiplying-- ``(A) the normal monthly amount of assistance to the entire household that would have been received if not for the reduction under paragraph (1)(A); by ``(B) the proportion that-- ``(i) the hours of required work and work preparation activities performed by the eligible participant during the month; bears to ``(ii) the number or hours of work and work preparation activities the State agency required the eligible participant to perform in accordance with this section. ``(3) Exception.--A State may not reduce or terminate assistance under the State ***program*** funded under this section or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B) of the Social Security Act (42 U.S.C 609(a)(7)(B))) based on a refusal of an eligible participant to engage in work and work preparation activities required under this section if-- ``(A) the eligible participant is a single custodial parent caring for a child who has not attained 6 ***years*** of age; and ``(B) the eligible participant proves that the eligible participant has a demonstrated inability (as determined by the State agency) to obtain needed child care, due to-- ``(i) unavailability of appropriate child care within a reasonable distance from the home or work site of the eligible participant; or ``(ii) unavailability of all affordable child care arrangements, including formal child care and all informal child care by a relative or under other arrangements. ``(h) Limitation on Hours of Required Participation in Community Service or Workfare.-- [[Page S4751]] ``(1) In general.--The maximum number of hours during a month that an eligible participant shall be required under this section to work in a community service ***program*** or a workfare ***program*** under section 20 shall not exceed the quotient obtained by dividing-- ``(A) the total dollar cost of all means-tested benefits received by the household for that month, as determined under paragraph (2); by ``(B) the Federal minimum wage. ``(2) Total dollar cost of all means-tested benefits defined.-- ``(A) In general.--Except as provided in subparagraph (B), the total dollar cost of all means-tested benefits shall equal the sum of the dollar cost of all benefits received by the household from-- ``(i) the supplemental nutrition assistance ***program***; ``(ii) the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))); and ``(iii) any assistance provided to a household, landlord, or public housing agency (as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C 1437a(b)(6))) to subsidize the rental ***payment*** for a dwelling unit, including assistance provided for public housing dwelling units under section 3 of the United States Housing Act of 1937 (42 U.S.C 1437a) and assistance provided under section 8 of that Act (42 U.S.C 1437f). ``(B) Value of benefits during sanction.--For purposes of subparagraph (A), if the dollar value of 1 or more benefits received by a household in a month has been reduced under subsection (g) or another sanction requirement, the calculated dollar value of the sanctioned benefits shall equal the dollar value of the benefit that would have been received if the benefit had not been reduced by the sanction. ``(3) Additional activities.--Nothing in this subsection prevents a State agency from requiring an eligible participant to engage in activities not described in paragraph (1) for additional hours during the month. ``(i) Work Activation Participation Goals.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, except as provided in paragraph (2), a State agency shall achieve for each quarter of the fiscal ***year*** with respect to all eligible participants receiving assistance under the State ***program*** funded under this section for that fiscal ***year*** at least the participation rate specified in the following table: ------------------------------------------------------------------------ The quarterly participation ``If the fiscal ***year*** is: rate shall be at least: ------------------------------------------------------------------------ 2019..................................... 20 percent 2020..................................... 35 percent 2021..................................... 50 percent 2022..................................... 65 percent 2023..................................... 80 percent. ------------------------------------------------------------------------ ``(2) Adjustment if recessionary period.--If the average national unemployment rate during a quarter of a fiscal ***year***, as determined by the Bureau of Labor Statistics of the Department of Labor, is more than 8 percent, the participation goal for the immediately succeeding quarter shall equal the product obtained by multiplying-- ``(A) the applicable quarterly participation rate under paragraph (1); by ``(B) 0.8 ``(j) Calculation of Work Activation Participation Rates.-- ``(1) Definition of sanctioned recipient.--In this subsection, the term `sanctioned recipient' means any eligible participant who-- ``(A) was required to participate in work activation in a month; ``(B) failed to perform the assigned work and work preparation activities so as to meet the relevant hourly requirements in subsection (c), (d), or (e)(2); and ``(C) was sanctioned by a reduced benefit ***payment*** in the subsequent month under subsection (g). ``(2) Requirements.--The work activation participation rate for a State for any quarter of a fiscal ***year*** shall equal the average of the monthly participation rates for the State during the 3 months of that quarter. ``(3) Monthly participation rate.--For purposes of paragraph (2), the monthly participation rate shall equal the ratio of all countable participants to all eligible participants in the month, as determined under paragraph (4). ``(4) Ratio of all countable participants to all eligible participants.--Subject to paragraph (5), the ratio of all countable participants to all eligible participants in a month equals the proportion that-- ``(A) the sum obtained by adding-- ``(i) all eligible participants who-- ``(I) were required by the State to engage in interim work activation, full work activation, or education under subsection (e)(1) during the month; and ``(II) fulfilled the criteria for successful engagement in work activation for that activity during the month; and ``(ii) all sanctioned recipients for that month; bears to ``(B) the average number of eligible participants in the State in that month. ``(5) Multiple eligible participants.--A married couple household consisting of more than 1 eligible participant shall be counted as a single eligible participant for purposes of calculating the participation rate under this subsection. ``(k) Penalties for Inadequate State Performance.-- ``(1) In general.--Beginning in the first quarter of fiscal ***year*** 2020 and for each subsequent quarter of fiscal ***year*** 2020 and of each subsequent fiscal ***year***, each State shall count the monthly average number of countable participants under this section. ``(2) Reduction in funding.--If the monthly average number of countable participants in a State of a fiscal ***year*** is not sufficient to fulfill the relevant work activation participation goal under subsection (i) during that quarter, the supplemental nutrition assistance ***program*** funding for the State under this Act shall be reduced for the fiscal quarter that begins 180 days after the first day of the quarter in which the inadequate performance occurred in accordance with paragraph (3). ``(3) Funding in penalized quarter.--The total amount of funding a State shall receive for all households with eligible participants for a quarter for which funding is reduced under paragraph (2) shall equal the product obtained by multiplying-- ``(A) the total amount of funding that the State would have received in the preceding quarter for all households with eligible participants if no reduction had been in place; by ``(B) the ratio of all countable participants to all eligible participants (as determined under subsection (j)(4)) for the quarter that began 180 days before the first day of the quarter for which funding is reduced. ``(l) Funding To Administer Work Activation.-- ``(1) TANF funding.-- ``(A) In general.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives supplemental nutrition assistance ***program*** funds under this Act may use during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section-- ``(i) any of the Federal funds available to the State through the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) in that fiscal ***year***; and ``(ii) any of the funds from State sources allocated to the operation of the ***program*** described in clause (i). ``(B) Effect.--Any State that uses State funds allocated to the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) to administer the work activation ***program*** of that State under this section may treat those funds as qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))) for purposes of meeting the requirements of section 409(a)(7) of that Act (42 U.S.C 609(a)(7)) in that fiscal ***year***. ``(2) Workforce investment act funding.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under the Workforce Investment Act of 1998 (29 U.S.C 2801 et seq.) may use up to 50 percent of those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section. ``(3) Supplemental nutrition assistance ***program*** employment and training ***program***.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under this Act for an employment and training ***program*** under section 6(d) may use those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section.''. \_\_\_\_\_\_ SA 3350. Mr. BROWN (for himself and Mr. Portman) submitted an amendment intended to be proposed to amendment SA 3134 proposed by Mr. Thune to the amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 9, strike line 14 and insert the following: that land.''. SEC. 2104. EXTENSION AND ***AGRICULTURAL*** RESEARCH AT 1890 LAND- GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY. (a) Extension.--Section 1444 of the National ***Agricultural*** Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C 3221) (as amended by section 7114(1)) is amended-- (1) in subsection (a), by adding at the end the following: ``(4) Fiscal ***year*** 2019, 2020, 2021, or 2022.--In addition to other amounts authorized to be appropriated to carry out this section, there are authorized to be appropriated for 1 of fiscal ***year*** 2019, 2020, 2021, or 2022 such sums as are necessary to ensure that an eligible institution receiving a distribution of funds under this section for that fiscal ***year*** receives not less than the amount of funds received by that eligible institution under this section for the preceding fiscal ***year***.''; and (2) in subsection (b)-- (A) in the undesignated matter following paragraph (2)(B)-- [[Page S4752]] (i) by striking ``paragraph (2) of this subsection'' and inserting ``this paragraph''; and (ii) by striking ``In computing'' and inserting the following: ``(C) In computing''; (B) in paragraph (2)-- (i) in subparagraph (B), by striking ``Of the remainder'' and inserting ``Except as provided in paragraph (4), of the remainder''; and (ii) by striking ``(2) any funds'' and inserting the following: ``(3) Additional amount.--Any funds''; (C) in paragraph (1)-- (i) by striking ``are allocated'' and inserting ``were allocated''; and (ii) by striking ``; and'' and inserting ``, as so designated as of that date.''; (D) by striking ``(b) Beginning'' in the matter preceding paragraph (1) and all that follows through ``any funds'' in paragraph (1) and inserting the following: ``(b) Distribution of Funds.-- ``(1) In general.--Funds made available under this section shall be distributed among eligible institutions in accordance with this subsection. ``(2) Base amount.--Any funds''; and (E) by adding at the end the following: ``(4) Special amount for fiscal ***year*** 2019, 2020, 2021, or 2022.-- ``(A) In general.--Subject to subparagraph (B), for 1 of fiscal ***year*** 2019, 2020, 2021, or 2022, if the calculation under paragraph (3)(B) would result in a distribution of less than $3,000,000 to an eligible institution that first received funds under this section after the date of enactment of the ***Agricultural*** Act of 2014 (Public Law 113-79; 128 Stat. 649) for a fiscal ***year***, that institution shall receive a distribution of $3,000,000 for that fiscal ***year***. ``(B) Limitation.--Subparagraph (A) shall apply only if amounts are appropriated under subsection (a)(4) to ensure that an eligible institution receiving a distribution of funds under this section for fiscal ***year*** 2019, 2020, 2021, or 2022, as applicable, receives not less than the amount of funds received by that eligible institution under this section for the preceding fiscal ***year***.''. (b) Research.--Section 1445 of the National ***Agricultural*** Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C 3222) is amended-- (1) in subsection (a), by adding at the end the following: ``(6) Fiscal ***year*** 2019, 2020, 2021, or 2022.--In addition to other amounts authorized to be appropriated to carry out this section, there are authorized to be appropriated for 1 of fiscal ***year*** 2019, 2020, 2021, or 2022 such sums as are necessary to ensure that an eligible institution receiving a distribution of funds under this section for that fiscal ***year*** receives not less than the amount of funds received by that eligible institution under this section for the preceding fiscal ***year***.''; and (2) in subsection (b)-- (A) in paragraph (2)-- (i) by adding at the end the following: ``(D) Special amount for fiscal ***year*** 2019, 2020, 2021, or 2022.-- ``(i) In general.--Subject to clause (ii), for 1 of fiscal ***year*** 2019, 2020, 2021, or 2022, if the calculation under subparagraph (C) would result in a distribution of less than $3,000,000 to an eligible institution that first received funds under this section after the date of enactment of the ***Agricultural*** Act of 2014 (Public Law 113-79; 128 Stat. 649), that institution shall receive a distribution of $3,000,000 for that fiscal ***year***. ``(ii) Limitation.--Clause (i) shall apply only if amounts are appropriated under subsection (a)(6) to ensure that an eligible institution receiving a distribution of funds under this section for fiscal ***year*** 2019, 2020, 2021, or 2022, as applicable, receives not less than the amount of funds received by that eligible institution under this section for the preceding fiscal ***year***.''; (ii) in subparagraph (B), by striking ``(B) Of funds'' and inserting the following: ``(C) Additional amount.--Except as provided in subparagraph (D), of funds''; (iii) in subparagraph (A)-- (I) by striking ``are allocated'' and inserting ``were allocated''; (II) by inserting ``, as so designated as of that date'' before the period at the end; and (III) by striking ``(A) Funds'' and inserting the following: ``(B) Base amount.--Funds''; and (iv) in the matter preceding subparagraph (B) (as so designated), by striking ``(2) The'' and all that follows through ``follows:'' and inserting the following: ``(3) Distributions.-- ``(A) In general.--After allocating amounts under paragraph (2), the remainder shall be allotted among the eligible institutions in accordance with this paragraph.''; (B) in paragraph (1), by striking ``(1) Three per centum'' and inserting the following: ``(2) Administration.--3 percent''; and (C) in the matter preceding paragraph (2) (as so designated), by striking ``(b) Beginning'' and all that follows through ``follows:'' and inserting the following: ``(b) Distribution of Funds.-- ``(1) In general.--Funds made available under this section shall be distributed among eligible institutions in accordance with this subsection.''. \_\_\_\_\_\_ SA 3351. Ms. STABENOW submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 233, line 7, strike ``based'' the second place it appears and insert ``best''. \_\_\_\_\_\_ SA 3352. Mr. KING (for himself, Mr. Leahy, Ms. Collins, Mrs. Shaheen, Mr. Hoeven, Mr. Sanders, Ms. Hassan, Ms. Heitkamp, and Mr. Tester) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle F of title XII, add the following: SEC. 126\_\_. LABELING OF CERTAIN SINGLE INGREDIENT FOODS. The food labeling requirements under section 403(q) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 343(q)) shall not require that the nutrition facts label of any single ingredient sugar, honey, agave, and syrup that is packaged and offered for sale as a single ingredient food includes a declaration of added sugars. \_\_\_\_\_\_ SA 3353. Mr. HELLER (for himself and Mr. Manchin) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of part II of subtitle F of title VIII, add the following: SEC. 86\_\_. STREAMLINING THE FOREST SERVICE PROCESS FOR CONSIDERATION OF COMMUNICATIONS FACILITY LOCATION APPLICATIONS. (a) Definitions.--In this section: (1) Communications facility.--The term ``communications facility'' includes-- (A) any infrastructure, including any transmitting device, tower, or support structure, and any equipment, switches, wiring, cabling, power sources, shelters, or cabinets, associated with the licensed or permitted unlicensed wireless or wireline transmission of writings, signs, signals, data, images, pictures, and sounds of all kinds; and (B) any antenna or apparatus that is-- (i) designed for the purpose of emitting radio frequency; (ii)(I) designed to be operated, or is operating, from a fixed location pursuant to authorization by the Federal Communications Commission; or (II) using duly authorized devices that do not require individual licenses; and (iii) is added to a tower, building, or other structure. (2) Communications site.--The term ``communications site'' means an area of covered land designated for communications uses. (3) Communications use.--The term ``communications use'' means the placement and operation of communications facility. (4) Communications use authorization.--The term ``communications use authorization'' means an easement, right-of-way, lease, license, or other authorization to locate or modify a communications facility on covered land by the Forest Service for the primary purpose of authorizing the occupancy and use of the covered land for communications use. (5) Covered land.--The term ``covered land'' means National Forest System land. (6) Organizational unit.--The term ``organizational unit'', with respect to the Forest Service, means-- (A) a regional office; (B) the headquarters; (C) a management unit; or (D) a ranger district office. (7) Special account.--The term ``special account'' means the special account established for the Forest Service under subsection (f)(1). (b) Regulations.--Notwithstanding section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012 (47 U.S.C 1455) or section 606 of the Repack Airwaves Yielding Better Access for Users of Modern Services Act of 2018 (Public Law 115-141), not later than 1 ***year*** after the date of enactment of this Act, the Secretary shall promulgate regulations-- (1) to streamline the process for considering applications to locate or modify communications facilities on covered land; (2) to ensure, to the maximum extent practicable, that the process is uniform and standardized across the organizational units of the Forest Service; and (3) to require that the applications described in paragraph (1) be considered and granted on a competitively neutral, technology neutral, and nondiscriminatory basis. (c) Requirements.--The regulations promulgated under subsection (b) shall-- (1) include procedures for the tracking of applications described in subsection (b)(1), including-- [[Page S4753]] (A) identifying the number of applications-- (i) received; (ii) approved; and (iii) denied; (B) in the case of an application that is denied, describing the reasons for the denial; and (C) describing the period of time between the receipt of an application and the issuance of a final decision on an application; (2) provide for minimum lease terms of not less than 15 ***years*** for leases with respect to the location of communications facilities on covered land; (3) include a structure of fees for-- (A) submitting an application described in subsection (b)(1), based on the cost to the Forest Service of considering such an application; and (B) issuing communications use authorizations, based on the cost to the Forest Service of any maintenance or other activities required to be performed by the Forest Service as a result of the location or modification of the communications facility; and (4) provide for prioritization or streamlining of the consideration of applications to locate or modify communications facilities on covered land in a previously disturbed right-of-way. (d) Additional Considerations.--In promulgating regulations under subsection (b), the Secretary shall consider-- (1) how discrete reviews in considering an application described in paragraph (1) of that subsection can be conducted simultaneously, rather than sequentially, by any organizational units of the Forest Service that must approve the location or modification; and (2) how to eliminate overlapping requirements among the organizational units of the Forest Service with respect to the location or modification of a communications facility on covered land administered by those organizational units. (e) Communication of Streamlined Process to Organizational Units.--With respect to the regulations promulgated under subsection (b), the Secretary shall-- (1) communicate the regulations to the organizational units of the Forest Service; and (2) ensure that the organizational units of the Forest Service follow the regulations. (f) Deposit and Availability of Fees.-- (1) Special account.--The Secretary of the Treasury shall establish a special account in the Treasury for the Forest Service for the deposit of fees collected by the Forest Service under subsection (c)(3) for communications use authorizations on covered land granted, issued, or executed by the Forest Service. (2) Requirements for fees collected.--Fees collected by the Forest Service under paragraph (3) of subsection (c) shall be-- (A) based on the costs described in that paragraph; and (B) competitively neutral, technology neutral, and nondiscriminatory with respect to other users of the communications site. (3) Deposit of fees.--Fees collected by the Forest Service under subsection (c)(3) shall be deposited in the special account. (4) Availability of fees.--Amounts deposited in the special account shall be available, to the extent and in such amounts as are provided in advance in appropriation Acts, to the Secretary to cover costs incurred by the Forest Service described in subsection (c)(3), including-- (A) preparing needs assessments or other programmatic analyses necessary to designate communications sites and issue communications use authorizations; (B) developing management plans for communications sites; (C) training for management of communications sites; and (D) obtaining or improving access to communications sites. (5) No additional appropriations authorized.--Except as provided in paragraph (4), no other amounts are authorized to be appropriated to carry out this section. (g) Savings Provisions.-- (1) Real property authorities.--Nothing in this section provides any executive agency with any new leasing or other real property authorities not in existence before the date of enactment of this Act. (2) Effect on other laws.-- (A) In general.--Nothing in this section, including any action taken pursuant to this section, impacts a decision or determination by any executive agency to sell, dispose of, declare excess or surplus, lease, reuse, or redevelop any Federal real property pursuant to title 40, United States Code, the Federal Assets Sale and ***Transfer*** Act of 2016 (Public Law 114-287; 40 U.S.C 1303 note), or any other law governing real property activities of the Federal Government. (B) Agreements.--No agreement entered into pursuant to this section obligates the Federal Government to hold, control, or otherwise retain or use real property that may otherwise be deemed as excess, surplus, or that could otherwise be sold, leased, or redeveloped. \_\_\_\_\_\_ SA 3354. Mr. SANDERS submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Beginning on page 141, strike line 3 and all that follows through page 142, line 5, and insert the following: ``(a) In General.--The Secretary shall carry out a pilot project that provides financial incentives, as determined by the Secretary, to producers to adopt practices designed to improve soil health, including by increasing carbon levels in soil (or `soil carbon levels') or growing new top soil. ``(b) Requirements.--In establishing the pilot project under subsection (a), the Secretary shall-- ``(1) identify geographic regions of the United States in which to establish the pilot project, including-- ``(A) not less than 1 drought prone region, based on factors such as soil type, cropping history, and water availability; and ``(B) not less than 1 region with a high percentage of spodosols, as identified by the Secretary; ``(2) establish ***payments*** to provide an incentive for the use of practices, such as cover crops, no-till farming, nutrient management, resource-conserving crop rotations, and other similar practices approved under the ***program*** that-- ``(A) improve soil health; ``(B) increase carbon levels in the soil; or ``(C) meet the goals described in subparagraphs (A) and (B); and ``(3) establish protocols for measuring carbon levels in soil to measure gains in soil health as a result of the practices used in the pilot project. ``(c) Study; Report to Congress.-- ``(1) Study.--Not later than September 30, 2022, the Secretary shall conduct a study regarding the baseline of soil carbon levels and nutrients, changes in soil health, reduction in nutrient runoff and top soil erosion, and, if feasible, economic outcomes, as a result of the practices used in the pilot project established under subsection (a). \_\_\_\_\_\_ SA 3355. Mr. SANDERS (for himself and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. PARTICIPATION OF PUERTO RICO, AMERICAN SAMOA, AND THE NORTHERN MARIANA ISLANDS IN SUPPLEMENTAL NUTRITION ASSISTANCE ***PROGRAM***. (a) In General.-- (1) Definitions.--Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (A) in subsection (r), by inserting ``the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands,'' after ``Guam,''; and (B) in subsection (u)(3), by inserting ``the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands,'' after ``Guam,''. (2) Eligible households.--Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C 2014) is amended-- (A) in subsection (b), in the first sentence, by inserting ``the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands,'' after ``Guam,''; (B) in subsection (c)(1), by striking ``and Guam,'' and inserting ``Guam, the Commonwealth of Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands,''; and (C) in subsection (e)-- (i) in paragraph (1)(A), by inserting ``the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands,'' after ``Hawaii,'' each place it appears; and (ii) in paragraph (6)(B), by inserting ``the Commonwealth of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands,'' after ``Guam,''. (3) Effective date.-- (A) In general.--The amendments made by this subsection shall be effective with respect to the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands, as applicable, on the date described in subparagraph (B) if the Secretary submits to Congress a certification under subsection (f)(3) of section 19 of the Food and Nutrition Act of 2008 (7 U.S.C 2028). (B) Date described.--The date referred to in subparagraph (A) is, with respect to the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands, the date established by the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands, respectively, in the applicable plan of operation submitted to the Secretary under subsection (f)(1)(A) of section 19 of the Food and Nutrition Act of 2008 (7 U.S.C 2028). (b) Transition of Puerto Rico, American Samoa, and the Northern Mariana Islands to Supplemental Nutrition Assistance [[Page S4754]] ***Program***.--Section 19 of the Food and Nutrition Act of 2008 (7 U.S.C 2028) is amended by adding at the end the following: ``(f) Transition of Puerto Rico, American Samoa, and the Northern Mariana Islands to Supplemental Nutrition Assistance ***Program***.-- ``(1) Submission of plan by puerto rico, american samoa, and the northern mariana islands.-- ``(A) Submission and review of plan of operation.--If a State agency is designated by the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands (referred to in this subsection as a `governmental entity') and submits to the Secretary a request to participate in the supplemental nutrition assistance ***program*** and a plan of operation under section 11 (including a date on which the governmental entity will begin to participate in the supplemental nutrition assistance ***program***), the Secretary shall determine whether that governmental entity and State agency satisfy the requirements that would apply under this Act for approval of that plan if the governmental entity were 1 of the several States. ``(B) Determination by secretary.-- ``(i) Approval.--The Secretary shall approve a plan of operation under subparagraph (A) if the governmental entity and State agency satisfy the requirements described in that subparagraph. ``(ii) Disapproval.--If the Secretary does not approve a plan of operation under subparagraph (A), the Secretary shall provide to the governmental entity a statement that describes each requirement that is not satisfied by the plan. ``(2) Approval of retail food stores.--If the Secretary approves a plan of operation under paragraph (1)(B)(i), the Secretary shall accept from retail food stores located in the applicable governmental entity applications under section 9 for approval to participate in the supplemental nutrition assistance ***program***. ``(3) Submission of certification to congress.--The Secretary shall submit to Congress a certification that a governmental entity qualifies to participate in the supplemental nutrition assistance ***program*** as if the governmental entity were a State if the Secretary-- ``(A) approves the plan of operation under paragraph (1)(B)(i); and ``(B) approves the applications under paragraph (2) of a number of retail food stores located in the governmental entity requesting to participate in the supplemental nutrition assistance ***program*** that would be sufficient to satisfy the requirements of this Act if the governmental entity were 1 of the several States. ``(4) Cash benefits provided in puerto rico.--As part of a plan of operation submitted under paragraph (1)(A), the Commonwealth of Puerto Rico may submit to the Secretary a request to provide benefits under the supplemental nutrition assistance ***program*** in the form of cash. ``(5) Family market ***program*** in puerto rico.--As part of a plan of operation submitted under paragraph (1)(A), notwithstanding subsection (g), the Secretary shall allow the Commonwealth of Puerto Rico to continue to carry out, under the supplemental nutrition assistance ***program***, the Family Market ***Program*** established under this section. ``(g) Termination of Effectiveness.-- ``(1) In general.--Subsections (a) through (e) shall cease to be effective with respect to the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands, as applicable, on the date described in paragraph (2) if the Secretary submits to Congress a certification under subsection (f)(3). ``(2) Date described.--The date referred to in paragraph (1) is, with respect to the Commonwealth of Puerto, American Samoa, or the Commonwealth of the Northern Mariana Islands, the date established by the Commonwealth of Puerto Rico, American Samoa, or the Commonwealth of the Northern Mariana Islands, respectively, in the applicable plan of operation submitted to the Secretary under subsection (f)(1)(A).''. (c) Authorization of Appropriations.--There are authorized to be appropriated to the Secretary to carry out this section and the amendments made by this section such sums as are necessary for each fiscal ***year***, to remain available until expended. \_\_\_\_\_\_ SA 3356. Mr. CASEY submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 335, strike line 10 and insert the following: ``(C) Third-party applications.--Prior to the promulgation of regulations or issuance of guidance by the Secretary under subparagraph (B), State agencies and benefit issuers of State agencies may allow third-party applications to access the electronic benefit ***transfer*** system, with the consent of a participating household member, to provide electronic benefit ***transfer*** account information to the participating household, if the third-party applications adequately protect the privacy of data relating to participating households and retail food stores, consistent with sections 9(c) and 11(e). ``(D) Report.--Not later than 2 ***years*** \_\_\_\_\_\_ SA 3357. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. DEMONSTRATION ***PROGRAM*** FOR LOW-COST FOOD PLAN. Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C 2026) (as amended by section 4108) is amended by adding at the end the following: ``(n) Demonstration ***Program*** for Low-cost Food Plan.-- ``(1) Definition of low-cost food plan.-- ``(A) In general.--In this subsection, the term `low-cost food plan' means the diet required to feed a family of 4 persons, consisting of a man and a woman age 19 through 50 ***years*** old, a child age 6 through 8 ***years*** old, and a child age 9 through 11 ***years*** old, at a cost that is in the second quartile of food expenditures for those families in the United States, as determined by the Secretary. ``(B) Adjustments.--In determining the diet under subparagraph (A), the Secretary shall-- ``(i) make household-size adjustments (based on the unrounded cost of the diet), taking into account economies of scale; ``(ii) make cost adjustments in the diet for the State of Hawaii and the urban and rural parts of the State of Alaska to reflect the cost of food in the State of Hawaii and urban and rural parts of the State of Alaska; ``(iii) make cost adjustments in the separate low-cost food plans for Guam and the United States Virgin Islands to reflect the cost of food in those States, which shall not exceed the cost of food in the 50 States and the District of Columbia; and ``(iv) on October 1, 2018, and each October 1 thereafter-- ``(I) adjust the cost of the diet to reflect the cost of the diet in the preceding June; and ``(II) round the cost determined under subclause (I) to the nearest lower dollar increment. ``(2) Establishment.-- ``(A) In general.--The Secretary shall carry out a demonstration ***program*** under which the value of the allotment issued to eligible households under the supplemental nutrition assistance ***program*** shall be equal to the cost to those households of the low-cost food plan, reduced by an amount equal to 30 percent of the income of the household, as determined in accordance with subsections (d) and (e) of section 5, rounded to the nearest lower whole dollar. ``(B) Minimum allotment.--In the case of a household of 1 or 2 persons, the minimum allotment shall be 8 percent of the cost of the low-cost food plan for a household containing 1 member, as determined by the Secretary under section 3, rounded to the nearest whole dollar increment. ``(3) Selection.--In consultation with State agencies, the Secretary shall select not fewer than 4 areas to participate in the demonstration ***program*** under this subsection. ``(4) Evaluation.--The Secretary shall conduct an independent evaluation, using rigorous evaluation standards (including random assignment and control groups), to evaluate the impact on health and nutrition of using the low-cost food plan in lieu of the thrifty food plan. ``(5) Report.--Not later than 3 ***years*** after the date of enactment of this subsection, the Secretary shall submit to Congress a report that describes-- ``(A) the results of the demonstration ***program*** under this subsection; ``(B) any additional costs or savings to the supplemental assistance nutrition ***program*** as a result of the demonstration ***program*** under this subsection; and ``(C) any additional costs or savings to State and Federal health care ***programs*** as a result of the demonstration ***program*** under this subsection.''. \_\_\_\_\_\_ SA 3358. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: In section 4114, strike the section designation and heading and all that follows through ``Section 28(c)'' in the matter preceding paragraph (1) and insert the following: SEC. 4114. NUTRITION EDUCATION AND OBESITY PREVENTION. (a) Office of Nutrition Education and Obesity Prevention Training and Technical Assistance.--Section 28 of the Food and Nutrition Act of 2008 (7 U.S.C 2036a) is amended-- (1) in the section heading, by striking ``grant ***program***''; and [[Page S4755]] (2) by striking subsection (e) and inserting the following: ``(e) Office of Nutrition Education and Obesity Prevention Training and Technical Assistance.-- ``(1) Establishment.--The Secretary shall establish within the Food and Nutrition Service an office, to be known as the `Office of Nutrition Education and Obesity Prevention Training and Technical Assistance' (referred to in this subsection as the `Office'), to provide services described in paragraph (2) to-- ``(A) State agencies receiving grants under this section; and ``(B) other State and local departments and agencies and community organizations applying for, or receiving, subgrants under this section. ``(2) Services.--The services provided by the Office pursuant to paragraph (1) shall include providing technical assistance to grantees and applicants relating to-- ``(A) administering education under the supplemental nutrition assistance ***program*** to ensure improvement in diet quality for benefit recipients; ``(B) assessing the nutritional, physical activity, and obesity prevention needs of target populations, and the barriers encountered by those populations to accessing healthy foods and physical activity; ``(C) identifying appropriate, evidence-based strategies and interventions to address problems identified under subparagraph (B), including through the ***program*** known as the `SNAP-Ed Toolkit'; ``(D) evaluating the effectiveness of applicable education plans, including through the use of the framework known as the `SNAP-Ed Evaluation Framework'; ``(E) maintaining and updating the toolkit and framework described in subparagraphs (C) and (D), respectively, the document known as the `SNAP-Ed Interpretive Guide', and other such other ***programs*** as the Secretary determines to be necessary; ``(F) disseminating information, sharing best practices, and facilitating communication among the entities described in paragraph (1); ``(G)(i) identifying common challenges faced by the entities described in paragraph (1); and ``(ii) coordinating efforts to achieve solutions to those challenges; and ``(H) such other services as may be identified by the Secretary, consistent with the purposes of the grants provided under this section. ``(3) Funding.--The Secretary shall use to carry out this subsection not less than 0.5 percent, and not more than 2 percent, of the amounts made available to carry out this section.''. (b) Nutrition Education State Plans.--Section 28(c) \_\_\_\_\_\_ SA 3359. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. TECHNICAL ASSISTANCE AND EDUCATION. The Secretary, in conjunction with the Secretary of Labor and the Administrator of the Small Business Administration, shall provide technical assistance and education to workers and small businesses with respect to-- (1) the eligibility of workers for benefits under the supplemental nutrition assistance ***program*** established under the Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.); and (2) other benefits associated with employment-based income. \_\_\_\_\_\_ SA 3360. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle B of title VI, add the following: SEC. 62\_\_. MIDDLE MILE BROADBAND INFRASTRUCTURE. Section 601 of the Rural Electrification Act of 1936 (7 U.S.C 950bb) is amended-- (1) in subsection (a), by inserting ``middle mile infrastructure'' before ``in rural areas''; (2) in subsection (b)-- (A) by redesignating paragraph (3) as paragraph (4); and (B) by inserting after paragraph (2) the following: ``(3) Middle mile infrastructure.-- ``(A) In general.--The term `middle mile infrastructure' means any broadband infrastructure that does not connect directly to an end user location (including an anchor institution). ``(B) Inclusions.--The term `middle mile infrastructure' may include interoffice transport, backhaul, internet connectivity, data centers, or special access transport to rural areas.''; (3) in subsection (c) (as amended by section 6206(2))-- (A) in paragraph (1), by inserting ``and to construct, improve, or acquire middle mile infrastructure'' after ``broadband service''; (B) in paragraph (2)(A)(i) (as amended by section 6206(2)(C)) by inserting ``or, in the case of middle mile infrastructure, offer the future ability to link'' after ``provide broadband service''; and (C) by adding at the end the following: ``(5) Limitation on middle mile infrastructure projects.-- The Secretary shall limit grants, loans, or loan guarantees for middle mile infrastructure projects to not more than 20 percent of the amounts made available to carry out this section.''; (4) in subsection (d)-- (A) in paragraph (1)(A)-- (i) in clause (i), by inserting ``or extend middle mile infrastructure'' before ``to all''; and (ii) in clause (iii) (as amended by section 6206(3)(A)(i)(III)), by inserting ``or middle mile infrastructure'' before ``described''; (B) in paragraph (2)-- (i) in subparagraph (B), by inserting ``or install middle mile infrastructure'' before ``in the proposed''; and (ii) by adding at the end the following: ``(D) Exception for middle mile infrastructure.--Portions of a middle mile infrastructure project that uses funds provided under this section that otherwise meet the rural service requirements of this section may traverse an area that is not a rural area when necessary.''; (C) in paragraph (4), by inserting ``, or to construct, improve, or acquire middle mile infrastructure in,'' before ``a rural area''; (D) in paragraph (5)(A)(v), by inserting ``or, in the case of middle mile infrastructure, connect'' after ``to service''; and (E) in paragraph (8)(A)(ii)-- (i) in subclause (I), by inserting ``or may'' before ``receive''; (ii) in subclause (II), by inserting ``or capability of middle mile infrastructure'' after ``service''; and (iii) in subclause (III), by striking ``area'' and inserting ``area, if applicable''; (5) in subsection (i)-- (A) in the subsection heading, by inserting ``or Middle Mile Infrastructure'' after ``Service''; and (B) by inserting ``or middle mile infrastructure'' before ``in rural areas''; and (6) in subsection (j)(6), by inserting ``or middle mile infrastructure'' after ``service'' the first and third places it appears. \_\_\_\_\_\_ SA 3361. Mrs. HYDE-SMITH (for herself, Mr. Boozman, and Mr. Perdue) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle G of title I, add the following: SEC. 17\_\_. APPLICATION. The amendments made by sections 1704 and 1705 shall not apply until the date that is 60 days after the date on which the Secretary submits to the Committee on ***Agriculture*** of the House of Representatives and the Committee on ***Agriculture***, Nutrition, and Forestry of the Senate a detailed report that affirms that the implementation of those amendments would not negatively impact farm income levels, land values, and the financial stability of farms in all regions of the United States. \_\_\_\_\_\_ SA 3362. Ms. KLOBUCHAR (for herself, Mr. Daines, and Ms. Duckworth) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Strike section 8101 insert the following: SEC. 8101. STATE AND PRIVATE FOREST LANDSCAPE-SCALE RESTORATION ***PROGRAM***. (a) In General.--Section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C 2109a) is amended to read as follows: ``SEC. 13A. STATE AND PRIVATE FOREST LANDSCAPE-SCALE RESTORATION ***PROGRAM***. ``(a) Purpose.--The purpose of this section is to encourage collaborative, science-based restoration of priority forest landscapes, as identified in-- ``(1) a State-wide assessment under section 2A(a)(1); or ``(2) a long-term State-wide forest resource strategy under section 2A(a)(2). ``(b) Definitions.--In this section: ``(1) Indian tribe.--The term `Indian tribe' has the meaning given the term in section 4 of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5304). ``(2) Nonindustrial private forest land.--The term `nonindustrial private forest land' means land that-- ``(A) has existing tree cover or is suitable for growing trees; and [[Page S4756]] ``(B) is owned by any private individual, group, association, corporation, Indian tribe, or other private legal entity. ``(3) State forest land.--The term `State forest land' means land that is-- ``(A) under State or local governmental ownership; and ``(B) considered to be non-Federal forest land. ``(c) Establishment.--The Secretary, in consultation with State foresters or appropriate State agencies, shall establish a competitive grant ***program*** to provide financial and technical assistance to encourage collaborative, science- based restoration of priority landscapes. ``(d) Eligibility.--To be eligible to receive a grant under this section, a State forester or another appropriate entity, on approval of the State forester, shall submit to the Secretary a State and private forest landscape-scale restoration proposal based on a restoration strategy that-- ``(1) is complete or substantially complete; ``(2) is for a multiyear period; ``(3) enhances public benefits from trees and forests on nonindustrial private forest land or State forest land, as identified in-- ``(A) a State-wide assessment under section 2A(a)(1); or ``(B) a long-term State-wide forest resource strategy under section 2A(a)(2); ``(4) is accessible by wood-processing infrastructure; and ``(5) is based on the best available science. ``(e) Plan Criteria.--A State and private forest landscape- scale restoration proposal submitted under this section shall include plans-- ``(1) to reduce the risk of uncharacteristic wildfires; ``(2) to improve fish and wildlife habitats, including the habitats of threatened and endangered species; ``(3) to maintain or improve water quality and watershed function; ``(4) to mitigate invasive species, insect infestation, and disease; ``(5) to improve important forest ecosystems; ``(6) to measure ecological and economic benefits, including air quality and soil quality and productivity; or ``(7) to take other relevant actions, as determined by the Secretary. ``(f) Priorities.--In making grants under this section, the Secretary shall give priority to plans that-- ``(1) further a statewide forest assessment and resource strategy; ``(2) promote cross boundary landscape collaboration; and ``(3) leverage public and private resources. ``(g) Collaboration and Consultation.--The Chief of the Forest Service, the Chief of the Natural Resources Conservation Service, and relevant stakeholders shall collaborate and consult on an ongoing basis regarding-- ``(1) administration of the ***program*** established under this section; and ``(2) identification of other applicable resources for landscape-scale restoration. ``(h) Matching Funds Required.-- ``(1) In general.--Except as provided in paragraph (2), as a condition of receiving a grant under this section, the Secretary shall require the recipient of the grant to provide funds or in-kind support from non-Federal sources in an amount that is at least equal to the amount of Federal funds. ``(2) Exception.--Paragraph (1) shall not apply in any case in which the Secretary determines that-- ``(A) the recipient of the grant is unable to obtain from non-Federal sources the matching funds required under that paragraph; and ``(B) regardless of that inability, the benefits of the project of the recipient justify carrying out the project. ``(i) Coordination and Proximity Encouraged.--In making grants under this section, the Secretary may consider coordination with and proximity to other landscape-scale projects on other land under the jurisdiction of the Secretary, the Secretary of the Interior, or a Governor of a State, including under-- ``(1) the Collaborative Forest Landscape Restoration ***Program*** established under section 4003 of the Omnibus Public Land Management Act of 2009 (16 U.S.C 7303); ``(2) landscape areas designated for insect and disease treatments under section 602 of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6591a); ``(3) good neighbor authority under section 19; ``(4) stewardship end result contracting projects authorized under section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6591c); ``(5) appropriate State-level ***programs***; and ``(6) other relevant ***programs***, as determined by the Secretary. ``(j) Use of Funds.-- ``(1) Allocation.--Of the amounts made available to carry out this section, the Secretary shall use-- ``(A) 50 percent for allocation through a competitive grant process; and ``(B) 50 percent for allocation proportionally to States, in consultation with State foresters, to address the highest national priorities, as identified in-- ``(i) a State-wide assessment under section 2A(a)(1); or ``(ii) a long-term State-wide forest resource strategy under section 2A(a)(2). ``(2) Multiyear projects.--The Secretary may provide amounts under this section for multiyear projects. ``(k) Regulations.--The Secretary shall promulgate such regulations as the Secretary determines necessary to carry out this section. ``(l) Report.--Not later than 3 ***years*** after the date of enactment of this section, the Secretary shall submit to the Committee on ***Agriculture*** of the House of Representatives and the Committee on ***Agriculture***, Nutrition, and Forestry of the Senate a report on-- ``(1) the status of development, execution, and administration of selected projects; ``(2) the accounting of ***program*** funding expenditures; and ``(3) specific accomplishments that have resulted from landscape-scale projects. ``(m) Authorization of Appropriations.--There is authorized to be appropriated to the Secretary to carry out this section $20,000,000 for the first fiscal ***year*** beginning after the date of enactment of this section and each fiscal ***year*** thereafter through fiscal ***year*** 2023, to remain available until expended.''. (b) Conforming Amendments.-- (1) Section 13B of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C 2109b) is repealed. (2) Section 19(a)(4)(C) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C 2113(a)(4)(C)) is amended by striking ``sections 13A and 13B'' and inserting ``section 13A''. \_\_\_\_\_\_ SA 3363. Mr. SANDERS submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle F of title XII, add the following: SEC. \_\_\_. HEALTH CARE FOR FARMERS AND RANCHERS. (a) In General.--The Secretary of ***Agriculture*** (referred to in this section as the ``Secretary'') shall award grants to States and nonprofit entities to establish and support ***programs*** to mitigate the financial risk posed to farms and ranches by high health costs by-- (1) providing information and services to assist farmers and ranchers to determine their eligibility for comprehensive health coverage; and (2) subsidizing out-of-pocket health expenditures for farmers and ranchers who are enrolled in comprehensive health coverage and have annual household incomes below 500 percent of the Federal poverty rate. (b) Definitions.--In this section: (1) Farmers and ranchers.--The term ``farmers and ranchers'' means individuals who work as farmers or ranchers, and any spouse or dependant (as defined in section 152 of the Internal Revenue Code of 1986) of such an individual. (2) Comprehensive health coverage.--The term ``comprehensive health coverage'' means public or private health insurance coverage that-- (A) offers-- (i) benefits that are at least equivalent to the essential health benefits package under section 1302(a) of the Patient Protection and Affordable Care Act (42 U.S.C 18022(a)); and (ii) consumer protections that are at least equivalent to the consumer protections required under such Act and under title XXVII of the Public Health Service Act (42 U.S.C 300gg et seq.), including protections for individuals with pre- existing conditions; or (B) meets the requirements for being minimum essential coverage under section 5000A(f)(1) of the Internal Revenue Code of 1986, as in effect on June 1, 2018. (3) Out-of-pocket health expenditures.--The term ``out-of- pocket health expenditures'' means health insurance deductibles, copayments, coinsurance, or other cost-sharing incurred by individuals and families enrolled in comprehensive health insurance benefits. (c) Number of Awards.--The Secretary shall make awards under this section to eligible applicants located in not fewer than 10 States. (d) Grant Period.--Grants under this section shall be awarded for not longer than a 5-***year*** period and may be renewed at the Secretary's discretion. (e) Selection Priority.--In awarding grants under this section, the Secretary shall-- (1) give priority to States and nonprofit entities located in States where, according to the most recent Census of ***Agriculture*** the primary occupation of not less than half of principal farm operators is farming; and (2) ensure that grantees and grant funds are distributed across Census of ***Agriculture*** regions and divisions. (f) Supplement Not Supplant.--Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, or private funds that are made available for the purposes described in subsection (a). (g) Authorization of Appropriations.--There are authorized to be appropriated to the Secretary to carry out this section $20,000,000 for each of fiscal ***years*** 2019 through 2023, to remain available until expended. \_\_\_\_\_\_ SA 3364. Mr. ROBERTS (for Mr. Rubio) proposed an amendment to [[Page S4757]] amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: On page 257, line 2, insert after the period the following: ``Funds may not be used as described in the previous sentence in contravention with directives set forth under the National Security Presidential Memorandum entitled `Strengthening the Policy of the United States Toward Cuba' issued by the President on June 16, 2017, during the period in which that memorandum is in effect. \_\_\_\_\_\_ SA 3365. Mr. ROBERTS (for Ms. Cantwell (for herself and Ms. Murkowski)) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: In section 8632(f), strike paragraph (2) and insert the following: (2) Project work.--If the Secretary approves a supplement to an approved plan under subsection (c) of section 512 of the Federal Land Policy and Management Act of 1976 (43 U.S.C 1772) or an agreement entered into under subsection (d)(1) of that section that covers a vegetation management project under the pilot ***program***, the liability provisions of subsection (g) of that section shall apply to the vegetation management project. \_\_\_\_\_\_ SA 3366. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Section 8206(b) of the ***Agricultural*** Act of 2014 (16 U.S.C 2113a(b)) (as amended by section 8624(b)(2)(D)) is amended, in paragraph (4), by striking ``monies received from'' and inserting ``monies or receipts received from or on account of''. \_\_\_\_\_\_ SA 3367. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: In section 8503, strike subsection (b) and insert the following: (b) Community Capacity and Land Stewardship ***Program***.--The National Forest Foundation Act is amended by inserting after section 406 (16 U.S.C 583j-4) the following: ``SEC. 406A. COMMUNITY CAPACITY AND LAND STEWARDSHIP ***PROGRAM***. ``The Foundation shall establish and administer a ***program***, to be known as the `Community Capacity and Land Stewardship ***Program***', under which the Secretary may provide grants to collaborative groups and community-based organizations to build the capacity of the collaborative group or community- based organization-- ``(1) to implement landscape-scale restoration projects; and ``(2) to facilitate job creation and retention in the local economy of the collaborative group or community-based organization.''. (c) Report on Best Practices.--Section 407 of the National Forest Foundation Act (16 U.S.C 583j-5) is amended by adding at the end the following: ``(c) Report on Best Practices.-- ``(1) Review.--The Foundation shall conduct a review of the organization and activities of collaboratives and groups carrying out collaborative processes to increase the quantity of projects or activities carried out on National Forest System land or public land. ``(2) Report.-- ``(A) In general.--Not later than September 30, 2019, subject to the availability of appropriations, the Foundation shall publish a report describing the findings of the review conducted under paragraph (1). ``(B) Content.--At a minimum, the report under subparagraph (A) shall identify and describe the tools and best practices that are frequently used by the highest performing collaboratives and groups carrying out collaborative processes described in paragraph (1).''. (d) Authorization of Appropriations; Additional Funds.-- Section 410 of the National Forest Foundation Act (16 U.S.C 583j-8) is amended-- (1) in subsection (b), by striking ``2018'' and inserting ``2023''; and (2) by adding at the end the following: ``(c) Additional Funds.-- ``(1) In general.--There is authorized to be appropriated to the Secretary to carry out sections 406A and 407(c) $2,000,000 for fiscal ***year*** 2019 and each fiscal ***year*** thereafter. ``(2) Use of funds.--The Secretary shall make available to the Foundation the amounts appropriated under paragraph (1) to match, on a 1-for-1 basis, private contributions made to the Foundation to establish or administer the Community Capacity and Land Stewardship ***Program*** established under section 406A.''. Strike section 8631 and insert the following: SEC. 8631. COLLABORATIVE FOREST LANDSCAPE RESTORATION ***PROGRAM***. (a) Selection of New Proposals.--Section 4003(d) of the Omnibus Public Land Management Act of 2009 (16 U.S.C 7303(d)) is amended-- (1) in paragraph (2)-- (A) in subparagraph (E), by striking ``and'' at the end; (B) in subparagraph (F), by striking the period at the end and inserting ``; and''; and (C) by adding at the end the following: ``(G) past performance.''; and (2) by adding at the end the following: ``(4) Selection of new proposals.--During fiscal ***year*** 2019, the Secretary shall ``(A) cease all expenditures from the Fund for proposals selected prior to fiscal ***year*** 2019; and ``(B) subject to the availability of appropriations, select, in a manner consistent with this subsection, the best proposals that have been nominated during fiscal ***year*** 2019 under subsection (c). ``(5) Annual reevaluation.--For each of fiscal ***years*** 2020 through 2030, the Secretary shall-- ``(A) in accordance with subsection (g)(3), determine whether the targets included in a selected proposal for the fiscal ***year*** were achieved; ``(B) discontinue ***transferring*** amounts from the Fund to implement a selected proposal that did not achieve any target during the preceding 2 fiscal ***years***; and ``(C) subject to the availability of appropriations, select an additional proposal to replace a proposal that did not achieve any target during the preceding 2 fiscal ***years***.''. (b) Removal of Limitations on Selections.--Section 4003(d)(3) of the Omnibus Public Land Management Act of 2009 (16 U.S.C.7303(d)(3)) is amended by striking ``than--'' and all that follows through ``(C) the number'' and inserting ``than the number''. (c) Non-federal Investment in the Priority Landscape.-- Section 4003(f)(4) of the Omnibus Public Land Management Act of 2009 (16 U.S.C.7303(f)(4)) is amended by adding at the end the following: ``(C) Non-federal investment.--The Secretary shall not expend money from the Fund for a proposal if the investment made by the Secretary would comprise more than 50 percent of the total investment for carrying out the proposal.''. (d) Reauthorization.--Section 4003(f)(6) of the Omnibus Public Land Management Act of 2009 (16 U.S.C 7303(f)(6)) is amended by inserting ``and $80,000,000 for each of fiscal ***years*** 2020 through 2030'' after ``2019''. (e) Reporting Requirements.--Section 4003(h) of the Omnibus Public Land Management Act of 2009 (16 U.S.C 7303(h)) is amended-- (1) in paragraph (3), by striking ``and'' after the semicolon; (2) in paragraph (4), by striking the period at the end and inserting ``; and''; (3) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; (4) by inserting after paragraph (2) the following: ``(3) the Committee on ***Agriculture***, Nutrition, and Forestry of the Senate;''; and (5) by adding at the end the following: ``(6) the Committee on ***Agriculture*** of the House of Representatives.''. \_\_\_\_\_\_ SA 3368. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Strike section 8402 and insert the following: SEC. 8402. AUTHORIZATION OF APPROPRIATIONS FOR HAZARDOUS FUEL REDUCTION ON FEDERAL LAND. Section 108 of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6518) is amended by striking ``$760,000,000'' and inserting ``$1,000,000,000''. \_\_\_\_\_\_ SA 3369. Mr. SANDERS submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end, add the following: TITLE \_\_OUTSOURCING PREVENTION SEC. \_01. DEFINITIONS. In this title: (1) Commerce.--The term ``commerce'' means trade, traffic, commerce, transportation, or communication among the several [[Page S4758]] States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country. (2) Employer.--The term ``employer'' means any business entity with 1 or more locations in the United States that-- (A) is engaged in commerce, or in an industry affecting commerce; and (B) employs-- (i) 50 or more employees, excluding part-time employees; or (ii) 50 or more employees who in the aggregate work at least 2,000 hours per week (exclusive of hours of overtime). (3) Federal agency.--The term ``Federal agency'' means an executive agency (as defined in section 105 of title 5, United States Code) and a military department (as defined in section 102 of such title). (4) Outsourcing.--The term ``outsourcing'' means the closing, by an employer, of a site, facility, or operating unit in the United States and the opening of another site, facility, or operating unit by the employer in a foreign country. (5) Part-time employee.--The term ``part-time employee'' means an employee who-- (A) is employed for an average of fewer than 20 hours per week; or (B) has been employed for fewer than 6 of the 12 months preceding the date on which notice described in section \_02(a)(1) is required. (6) Secretary.--The term ``Secretary'' means the Secretary of Labor. (7) Site, facility, or operating unit.--The term ``site, facility, or operating unit'' means a single site of employment or 1 or more facilities or operating units within a single site of employment. SEC. \_02. LIST OF OUTSOURCING EMPLOYERS. (a) Notice Requirement.-- (1) In general.--An employer that intends to engage in the outsourcing of a site, facility, or operating unit shall notify the Secretary not less than 120 days before such outsourcing. (2) Determination of outsourcing by secretary.--The Secretary may investigate any instance where an employer is suspected of engaging in outsourcing described in paragraph (1) without providing the required notification. If the Secretary determines, after notice and an opportunity for a hearing, that the employer is in violation of paragraph (1), the Secretary-- (A) shall include the employer on the list of employers engaged in outsourcing, in accordance with subsection (b); and (B) may assess a civil fine in accordance with paragraph (3). (3) Fine.-- (A) In general.--Except as provided in subparagraph (B), an employer that fails to notify the Secretary under paragraph (1) by not less than 120 days before outsourcing a site, facility, or operating unit shall be subject to a civil fine in an amount not to exceed $50,000 for each day that the required notice was not provided. (B) Defense.--An employer that has engaged in outsourcing a site, facility, or operating unit shall not be subject to a civil fine described in subparagraph (A) if the employer can demonstrate that-- (i) the employer created, by not later than 90 days after the date of the outsourcing of a site, facility, or operating unit, a number of new jobs in the United States that is equal to, or greater than, the number of jobs lost due to the outsourcing activity; and (ii) on average, the new jobs offer substantially similar or improved wages and benefits, as compared to the jobs lost due to the outsourcing activity. (b) List.-- (1) Compilation.--The Secretary shall compile, on a semiannual basis, a list of all employers that engage in outsourcing, as determined under paragraph (2). (2) Employer placement on list.--In any case where the Secretary determines that an employer has engaged in outsourcing without creating an equal or greater number of substantially similar jobs before the end of the 90-day period described in subsection (a)(3)(B), the Secretary shall-- (A) include the employer on the next semiannual list compiled by the Secretary under paragraph (1); and (B) keep the employer on subsequent semiannual lists for not less than the 5-***year*** period beginning on the date on which the employer was first included on the list under subparagraph (A). (3) Additional term.--In any case where an employer included on the most recent list described in paragraph (1) engages in additional outsourcing activity without creating an equal or greater number of substantially similar jobs before the end of the 90-day period described in subsection (a)(3)(B)-- (A) the employer shall provide the notice required under subsection (a)(1) for each such additional outsourcing activity; and (B) the 5-***year*** period described in paragraph (2)(B) for such employer shall be calculated using the date that is 90 days after the beginning date for the most recent outsourcing activity. (4) Distribution.--The Secretary shall-- (A) post each list described in paragraph (1) on the website of the Department of Labor; and (B) submit each such list to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives. SEC. \_03. TREATMENT OF FEDERAL GRANTS AND GUARANTEED LOANS FOR OUTSOURCING EMPLOYERS. (a) Ineligibility for Federal Grants and Loans.-- Notwithstanding any other provision of law, the head of each Federal agency shall, before awarding any Federal grant, Federal loan, or Federal guaranteed loan to an employer-- (1) consult the most recent semiannual lists described in section \_\_02(b)(1) for the 5 ***years*** preceding the date of the award determination; and (2) if the employer appears on any such list, deem such employer to be ineligible for the Federal grant, Federal loan, or Federal guaranteed loan. (b) Non-outsourcing Condition for All Federal Grants and Loans.-- (1) In general.--Notwithstanding any other provision of law, the head of each Federal agency shall ensure that any employer receiving a Federal grant, Federal loan, or Federal guaranteed loan from the Federal agency agree, as a condition of the grant or loan, that-- (A) the employer will not engage in outsourcing for the 10- ***year*** period following the receipt of the grant or loan; and (B) if the employer is included on a semiannual list described in section \_\_02(b)(1) during such period-- (i) in the case of a Federal grant, the employer shall repay the full amount of the grant immediately; and (ii) in the case of a Federal loan or Federal guaranteed loan, the full amount of the loan shall become due as of the date of the employer's inclusion on the list, and the employer shall repay the loan immediately. (2) Return of funds.--Any amounts repaid under paragraph (1) shall be returned to the Treasury of the United States. (c) Applicability.--Subsections (a) and (b) shall apply with respect to all Federal grants, Federal loans, or Federal guaranteed loans awarded, entered into, or renewed on or after the effective date of this title. SEC. \_04. PROCUREMENT PREFERENCE FOR EMPLOYERS REMAINING IN THE UNITED STATES. Any employer that appears on the most recent list compiled pursuant to section \_\_02(b)(1)-- (1) shall be ineligible to enter into a contract with a Federal agency for the procurement of property or services; and (2) shall be included on the List of Parties Excluded from Federal Procurement and Nonprocurement ***Programs*** maintained by the Administrator of General Services under part 9 of the Federal Acquisition Regulation. SEC. \_05. FEDERAL BENEFITS FOR WORKERS. No provision of this title shall be construed to permit the withholding or denial of ***payments***, compensation, or benefits under any other Federal law (including Federal unemployment compensation, disability ***payments***, or worker retraining or readjustment funds) to workers employed by employers that engage in outsourcing. SEC. \_06. EFFECTIVE DATE. This title shall take effect beginning on the date that is 90 days after the date of enactment of this Act. \_\_\_\_\_\_ SA 3370. Ms. MURKOWSKI (for herself and Mr. Sullivan) submitted an amendment intended to be proposed by her to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: In section 4102(a), redesignate paragraph (3) as paragraph (4). In section 4102(a), strike paragraph (2) and insert the following: (2) by striking paragraph (5) and inserting the following: ``(5) Traditional food purchases.--Subject to the availability of appropriations to carry out this paragraph, the Secretary may purchase, subject to availability, bison meat, reindeer meat, wild salmon, and other traditional indigenous foods for recipients of food distributed under this subsection, including-- ``(A) bison meat and reindeer meat from-- ``(i) Native American bison or reindeer producers; and ``(ii) producer-owned cooperatives of bison and reindeer ranchers; ``(B) wild salmon from an eligible entity described in section 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C 1855(i)(1)(D)); ``(C) blue cornmeal; and ``(D) wild rice.''; (3) in paragraph (6), by striking subparagraph (F) and inserting the following: ``(F) Funding.-- ``(i) Authorization of appropriations.--There is authorized to be appropriated to the Secretary to carry out this paragraph $10,000,000 for each of fiscal ***years*** 2019 through 2023. ``(ii) Appropriations in advance.--Only funds appropriated under clause (i) in advance specifically to carry out this paragraph shall be available to carry out this paragraph.''; and \_\_\_\_\_\_ SA 3371. Mr. ROBERTS (for Mr. Thune (for himself and Mr. Brown)) [[Page S4759]] proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: At the end of subtitle A of title I, add the following: SEC. 11\_\_. OPTION TO CHANGE PRODUCER ELECTION. Section 1115 of the ***Agricultural*** Act of 2014 (7 U.S.C 9015) is amended by adding at the end the following: ``(h) Option to Change Producer Election.--Notwithstanding subsection (a), for the 2021 crop ***year***, all of the producers on a farm may make a 1-time, irrevocable election to change the election applicable to the producers on the farm under that subsection or subsection (c), as applicable, to price loss coverage or ***agriculture*** risk coverage, as applicable, which shall apply to the producers on the farm for each of the 2021, 2022, and 2023 crop ***years***.''. \_\_\_\_\_\_ SA 3372. Mr. TILLIS submitted an amendment intended to be proposed to amendment SA 3176 submitted by Mrs. Feinstein (for herself and Mr. McCain) and intended to be proposed to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 2 of the amendment, strike line 7 and insert the following: eral budget deficit reduction. ``(10) Prohibition on ***payment*** of portion of premium by corporation for grapes used for wine.-- ``(A) In general.--Effective beginning with the 2019 reinsurance ***year***, notwithstanding any other provision of this subtitle, the Corporation shall not pay any portion of the premium for a policy or plan of insurance for grapes used for wine under this subtitle. ``(B) Deficit reduction.--Any savings realized as a result of subparagraph (A) shall be deposited in the Treasury and used for Federal budget deficit reduction.''. \_\_\_\_\_\_ SA 3373. Mr. TILLIS submitted an amendment intended to be proposed to amendment SA 3176 submitted by Mrs. Feinstein (for herself and Mr. McCain) and intended to be proposed to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Beginning on page 1 of the amendment, strike line 2 and all that follows through page 2, line 7 and insert the following: SEC. 11112. PROHIBITION ON ***PAYMENT*** OF PORTION OF PREMIUM BY CORPORATION FOR GRAPES USED FOR WINE. Section 508(e) of the Federal Crop Insurance Act (7 U.S.C 1508(e)) is amended by adding at the end the following: ``(9) Prohibition on ***payment*** of portion of premium by corporation for grapes used for wine.-- ``(A) In general.--Effective beginning with the 2019 reinsurance ***year***, notwithstanding any other provision of this subtitle, the Corporation shall not pay any portion of the premium for a policy or plan of insurance for grapes used for wine under this subtitle. ``(B) Deficit reduction.--Any savings realized as a result of subparagraph (A) shall be deposited in the Treasury and used for Federal budget deficit reduction.''. \_\_\_\_\_\_ SA 3374. Ms. BALDWIN submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title VI, add the following: SEC. 61\_\_. WATER OR WASTE DISPOSAL GRANTS OR DIRECT OR GUARANTEED LOANS. (a) Assistance for Unserved and Underserved Rural Communities.--Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C 1926(a)) (as amended by section 6105) is amended by adding at the end the following: ``(28) Assistance for unserved and underserved rural communities.-- ``(A) Definition of unserved or underserved rural community.--In this paragraph, the term `unserved or underserved rural community' means a rural area that, as determined by the Secretary, lacks the technical, financial, organizational, and managerial capacity to adequately operate, maintain, and effectively serve the population of the rural area. ``(B) Water and waste disposal direct loans.--The Secretary may make water and waste disposal direct loans under paragraph (1) to eligible entities described in subparagraph (C) at the interest rate applicable to areas where the median family income is below the poverty line, as determined under section 307(a)(3)(A), for projects for unserved or underserved rural communities. ``(C) Eligible entities.--To be eligible to receive a direct loan under subparagraph (B), an applicant shall be a contiguous or local utility outside of the unserved or underserved rural community to be served by the project funded by the direct loan that, as determined by the Secretary-- ``(i) has a demonstrated experience and capacity in delivering water ***programs*** or wastewater ***programs*** under this Act; ``(ii) demonstrates the capacity to provide service to the applicable unserved or underserved rural community; ``(iii) demonstrates that-- ``(I) the project funded by the direct loan is solely for the purpose of serving the applicable unserved or underserved rural community; and ``(II) the maximum financial benefit of the assistance under this paragraph will be conferred to that unserved or underserved rural community; and ``(iv) demonstrates that the applicable unserved or underserved rural community-- ``(I) has willingly entered into a formal agreement with the applicant for service by the applicant; and ``(II) entered into the agreement described in subclause (I) with the understanding that the unserved or underserved rural community is eligible for water and waste disposal direct loans under paragraph (1) independently of any direct loan under this paragraph.''. (b) Direct and Guaranteed Loans.--Section 343(a)(13)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C 1991(a)(13)(B)) is amended-- (1) by striking ``For the purpose'' and inserting the following: ``(i) Grants and direct loans.--For the purpose''; (2) in clause (i) (as so designated)-- (A) by striking ``and guaranteed''; and (B) by striking ``(24)'' and inserting ``(28)''; and (3) by adding at the end the following: ``(ii) Guaranteed loans.--For the purpose of water and waste disposal guaranteed loans provided under paragraphs (1) and (24) of section 306(a), the terms `rural' and `rural area' mean a city, town, or unincorporated area that has a population of not more than 50,000 inhabitants.''. \_\_\_\_\_\_ SA 3375. Mr. SANDERS submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 141, strike lines 15 through 21 and insert the following: ``(2) establish ***payments*** to provide an incentive for the use of practices, such as cover crops, no-till farming, nutrient management, resource-conserving crop rotations, and other similar practices approved under the ***program***; and \_\_\_\_\_\_ SA 3376. Mr. MERKLEY (for himself and Mr. Wyden) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place in title VIII, insert the following: SEC. 8\_\_. REFORMS AND OVERSIGHT TO U.S FOREST SERVICE CONTRACTING. (a) Definitions.--In this section: (1) H-2B nonimmigrant.--The term ``H-2B nonimmigrant'' means a nonimmigrant described in section 101(a)(15)(H)(ii)(b) of the Immigration and Nationality Act (8 U.S.C 1101(a)(15)(H)(ii)(b)). (2) Prospective h-2b employer.--The term ``prospective H-2B employer'' means a United States business that is considering employing 1 or more H-2B nonimmigrants. (3) State workforce agency.--Except as used in subsection (b), the term ``State workforce agency'' means the workforce agency of the State in which the prospective H-2B employer intends to employ H-2B nonimmigrants. (b) Department of Labor.-- (1) Recruitment.--As a component of the labor certification process required before H-2B nonimmigrants are offered employment through United States Forest Service timber or service contracts in the United States, the Secretary of Labor shall require all prospective H-2B employers, before submitting a petition to hire H-2B nonimmigrants, to conduct a robust effort to recruit United States workers, including-- (A) advertising at employment or job-placement events, such as job fairs; (B) advertising with State or local workforce agencies, nonprofit organizations, or other appropriate entities, and working with such entities to identify potential employees; [[Page S4760]] (C) advertising in appropriate media, including local radio stations and commonly used, reputable Internet job-search sites; (D) provide potential United States workers at least 30 days from the date on which a job announcement is posted (or such longer period as the State workforce considers appropriate) to apply for such employment in person, by mail, by email, or by facsimile machine; (E) include a valid phone number that potential United States workers may call to get additional information about such employment opportunity; and (F) such other recruitment strategies as the State workforce agency considers appropriate for the sector or positions for which H-2B nonimmigrants would be considered. (2) Separate petitions.--A prospective H-2B employer shall submit a separate petition for each State in which the employer plans to employ H-2B nonimmigrants as part of a United States Forest Service timber or service contract for a period of 7 days or longer. (c) State Workforce Agencies.--The Secretary of Labor may not grant a temporary labor certification to a prospective H- 2B employer seeking to employ H-2B nonimmigrants as part of a United States Forest Service timber or service contract until after the Director of the State workforce agency-- (1) has provided United States workers who may be interested in the position with application instructions; (2) has formally consulted with the workforce agency director of each contiguous State listed on the prospective H-2B employer's application and determined that-- (A) the employer has complied with all recruitment requirements set forth in subsection (b) and there is a legitimate demand for the employment of H-2B nonimmigrants in each of those States; or (B) the employer has amended the application by removing or making appropriate modifications with respect to the States in which the criteria set forth in subparagraph (A) have not been met; (3) certifies that the prospective H-2B employer has complied with all recruitment requirements set forth in subsection (b) or any other applicable provision of law; and (4) makes a formal determination and certifies to the Secretary of Labor that nationals of the United States are not qualified or available to fill the employment opportunities offered by the prospective H-2B employer. \_\_\_\_\_\_ SA 3377. Mr. TOOMEY (for himself and Mrs. Shaheen) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: In section 1301(a), strike the subsection designation and all that follows through ``(3) in subsection (i)'' and insert the following: (a) Extension and Provision for Ensuring Adequate Supplies at Reasonable Prices.--Section 156 of the Federal ***Agriculture*** Improvement and Reform Act of 1996 (7 U.S.C 7272) is amended-- (1) in subsection (a)(4), by striking ``2018'' and inserting ``2023''; (2) in subsection (b)(2), by striking ``2018'' and inserting ``2023''; (3) in subsection (f)-- (A) in the subsection heading, by inserting ``While Ensuring Adequate Supplies at Reasonable Prices'' after ``Forfeitures''; and (B) in paragraph (1), by inserting ``ensure adequate supplies of sugar at reasonable prices and'' after ``shall''; and (4) in subsection (i) In section 1301(b)(2), strike the paragraph designation and all that follows through ``Section'' and insert the following: (2) Administration of tariff-rate quotas.--Section 359k of the ***Agricultural*** Adjustment Act of 1938 (7 U.S.C 1359kk) is repealed. (3) Effective period.--Section \_\_\_\_\_\_ SA 3378. Mr. TOOMEY (for himself and Mrs. Shaheen) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Strike section 9109 and insert the following: SEC. 9109. FEEDSTOCK FLEXIBILITY ***PROGRAM*** FOR BIOENERGY PRODUCERS TERMINATION. Section 9010 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C 8110) is amended by adding at the end the following: ``(c) Termination.--The Secretary may not carry out the feedstock flexibility ***program*** under subsection (b) for the 2019 or subsequent crops of eligible commodities.''. SEC. 9110. SUGAR ***PROGRAM***. (a) Loan Rates.--Section 156 of the Federal ***Agriculture*** Improvement and Reform Act of 1996 (7 U.S.C 7272) (as amended by section 1301(a)) is amended by striking subsections (a) and (b) and inserting the following: ``(a) Sugarcane.--The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to-- ``(1) 18.75 cents per pound for raw cane sugar for the 2018 crop ***year***; and ``(2) 18.00 cents per pound for raw cane sugar for the 2019 through 2023 crop ***years***. ``(b) Sugar Beets.--The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 128.5 percent of the loan rate per pound of raw cane sugar for the applicable crop ***year*** under subsection (a) for each of the 2018 through 2023 crop ***years***.''. (b) Avoiding Forfeitures While Ensuring Adequate Supplies at Reasonable Prices.--Section 156(f) of the Federal ***Agriculture*** Improvement and Reform Act of 1996 (7 U.S.C 7272(f)) is amended-- (1) in the subsection heading, by inserting ``While Ensuring Adequate Supplies at Reasonable Prices'' after ``Forfeitures''; and (2) in paragraph (1), by inserting ``ensure adequate supplies of sugar at reasonable prices and'' after ``shall''. SEC. 9111. ADMINISTRATION OF TARIFF-RATE QUOTAS. Part VII of subtitle B of title III of the ***Agricultural*** Adjustment Act of 1938 (7 U.S.C 1359aa et seq.) (as amended by section 1301(b)) is amended to read as follows: ``PART VII--SUGAR ``SEC. 359. ADMINISTRATION OF TARIFF-RATE QUOTAS. ``(a) Establishment.--At the beginning of fiscal ***year*** 2019 and each fiscal ***year*** thereafter through the end of the effective period described in subsection (d), the Secretary shall establish the tariff-rate quotas for raw cane sugar and refined sugar to provide adequate supplies of sugar at reasonable prices, but at no less than the minimum level necessary to comply with obligations under international trade agreements that have been approved by Congress. ``(b) Adjustment Authority.--The Secretary shall adjust tariff-rate quotas established under subsection (a) in such a manner as to ensure, to the maximum extent practicable, that stocks of raw cane and refined beet sugar are adequate throughout the crop ***year*** to meet the needs of the marketplace, including the efficient utilization of cane refining capacity. ``(c) ***Transfer*** of Quota Shares.-- ``(1) In general.--The Secretary shall promulgate regulations that-- ``(A) promote full use of the tariff-rate quotas for raw cane sugar and refined sugar and ensure adequate supplies for cane refiners in the United States; and ``(B) provide that any country that has been allocated a share of the quotas may temporarily ***transfer*** all or part of the share to any other country that has also been allocated a share of the quotas. ``(2) ***Transfers*** voluntary.--Any ***transfer*** under this subsection shall be valid only pursuant to a voluntary agreement between the transferor and the transferee, consistent with procedures established by the Secretary. ``(3) Limitations on ***transfers*** with respect to fiscal ***year***.-- ``(A) In general.--Any ***transfer*** under this subsection shall be valid only for the duration of the fiscal ***year*** during which the ***transfer*** is made. ``(B) Following fiscal ***year***.--No ***transfer*** under this subsection shall affect the share of the quota allocated to the transferor or transferee for the following fiscal ***year***. ``(d) Effective Period.--This section shall be effective for fiscal ***years*** only through the 2023 crop ***year*** for sugar.''. \_\_\_\_\_\_ SA 3379. Mr. TESTER submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: After section 8611, insert the following: SEC. 8612. CATEGORICAL EXCLUSION FOR COLLABORATIVE RESTORATION PROJECTS. (a) Expansion of Categorical Exclusion to Fire Regime Iv.-- Section 603(c) of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6591b(c)) is amended by striking paragraph (2) and inserting the following: ``(2) Location.-- ``(A) Definition of fire regime iv.--In this paragraph, the term `Fire Regime IV' means an area in which historically there are stand replacement severity fires with a frequency of 35 to 100 ***years***. ``(B) Location.--A project under this section shall be limited to areas-- ``(i) in the wildland-urban interface; or ``(ii) for projects located outside the wildland-urban interface, within condition class 2 or condition class 3 in-- ``(I) fire regime I, fire regime II, or fire regime III; or ``(II) fire regime IV-- ``(aa) if the Secretary determines, based on the best available scientific information, [[Page S4761]] that an authorized hazardous fuel reduction project is necessary to restore reference conditions and reduce the threat posed to the water quality of a municipal water supply, electrical transmission lines, or other infrastructure; and ``(bb) if the project does not include clearcutting regeneration, coppice, or even-aged methods (as those terms are defined in Forest Service Manual 2470 (as in effect on the date of enactment of the ***Agriculture*** Improvement Act of 2018)).''. (b) Roadless Area Restriction.--Section 603(d) of the Healthy Forests Restoration Act of 2003 (16 U.S.C 6591b(d)) is amended-- (1) in paragraph (3), by striking ``or'' at the end; (2) in paragraph (4), by striking the period at the end and inserting ``; or''; and (3) by adding at the end the following: ``(5) an inventoried roadless area.''. \_\_\_\_\_\_ SA 3380. Mr. HATCH (for himself and Mr. Scott) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: After section 4101, insert the following: SEC. 410\_\_. MULTIVITAMIN-MINERAL DIETARY SUPPLEMENTS ELIGIBLE FOR PURCHASE WITH SUPPLEMENTAL NUTRITION ASSISTANCE BENEFITS. (a) In General.--Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (1) in subsection (k)-- (A) by striking ``and (9)'' and inserting ``(9)''; and (B) by inserting before the period at the end the following: ``, and (10) a multivitamin-mineral dietary supplement for home consumption''; (2) by redesignating subsections (n) through (v) as subsections (o) through (w), respectively; (3) by inserting after subsection (m) the following: ``(m) `Multivitamin-mineral dietary supplement' means a substance that-- ``(1) provides at least 50 percent of the vitamins and minerals for which the National Academy of Medicine establishes dietary reference intakes, at 50 percent or more of the daily value for the intended life stage per daily serving, as determined by the Food and Drug Administration; and ``(2) does not exceed the tolerable upper intake levels for the nutrients for which an established tolerable upper intake level is determined by the National Academy of Medicine.''; and (4) in paragraph (2) of subsection (r) (as so redesignated), by striking ``and spices'' and inserting ``spices, and multivitamin-mineral dietary supplements''. (b) Conforming Amendments.--Section 27(a)(2) of the Food and Nutrition Act of 2008 (7 U.S.C 2036(a)(2)) is amended in subparagraphs (C) and (E) by striking ``3(u)(4)'' each place it appears and inserting ``3(v)(4)''. On page 275, lines 3 and 4, strike ``Section 3(v) of the Food and Nutrition Act of 2008 (7 U.S.C 2012(v))'' and insert ``Subsection (w) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) (as redesignated by section 41\_\_(a)(2))''. On page 312, strike lines 3 through 5. On page 312, line 6, strike ``(DD)'' and insert ``(CC)''. On page 312, line 10, strike ``(EE)'' and insert ``(DD)''. On page 312, line 14, strike ``(FF)'' and insert ``(EE)''. Strike section 4116 and insert the following: SEC. 4116. TECHNICAL AND CONFORMING AMENDMENTS. (a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (1) in subsection (d), by striking ``7(i)'' and inserting ``7(h)''; and (2) in subsection (i), by striking ``7(i)'' and inserting ``7(h)''. (b) Section 9(c) of the Food and Nutrition Act of 2008 (7 U.S.C 2018(c)) is amended in the third sentence by striking ``to any used by'' and inserting ``to, and used by,''. (c) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C 2019) is amended in the first sentence by striking ``or the Federal Savings and Loan Insurance Corporation'' each place it appears. (d) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C 2027(e)) is amended in the first sentence by striking ``7(f)'' and inserting ``7(e)''. (e) Section 25(a)(1)(B)(i)(I) of the Food and Nutrition Act of 2008 (7 U.S.C 2034(a)(1)(B)(i)(I)) is amended by striking ``service;;'' and inserting ``service;''. \_\_\_\_\_\_ SA 3381. Mr. WYDEN (for himself and Ms. Collins) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title XII, add the following: SEC. 125\_\_. SENSE OF CONGRESS RELATING TO ANIMAL FIGHTING. It is the sense of Congress that animal fighting should be prohibited in all United States territories. \_\_\_\_\_\_ SA 3382. Mr. KENNEDY (for himself, Mr. Cruz, and Mr. Lee) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: Strike section 4103 and insert the following: SEC. 4103. WORK REQUIREMENTS FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS. (a) Declaration of Policy.--Section 2 of the Food and Nutrition Act of 2008 (7 U.S.C 2011) is amended by adding at the end the following: ``Congress further finds that it should also be the purpose of the supplemental nutrition assistance ***program*** to increase employment, to encourage healthy marriage, and to promote prosperous self-sufficiency, which means the ability of households to maintain an income above the poverty level without services and benefits from the Federal Government.''. (b) Definitions.-- (1) Food.--Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C 2012(k)) is amended by inserting before the period at the end the following: ``, except that a food, food product, meal, or other item described in this subsection shall be considered a food under this Act only if it is an essential (as determined by the Secretary)''. (2) Supervised job search.--Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (A) by redesignating subsections (t) through (v) as subsections (u) through (w), respectively; and (B) by inserting after subsection (s) the following: ``(t) Supervised Job Search.--The term `supervised job search' means a job search ***program*** that has the following characteristics: ``(1) The job search occurs at an official location where the presence and activity of the recipient can be directly observed, supervised, and monitored. ``(2) The entry, time onsite, and exit of the recipient from the official job search location are recorded in a manner that prevents fraud. ``(3) The recipient is expected to remain and undertake job search activities at the job search center. ``(4) The quantity of time the recipient is observed and monitored engaging in job search at the official location is recorded for purposes of compliance with the work and work activation requirements of sections 6(o) and 30.''. (3) Conforming amendment.--Section 27(a)(2) of the Food and Nutrition Act of 2008 (7 U.S.C 2036(a)(2)) is amended in subparagraphs (C) and (E) by striking ``3(u)(4)'' each place it appears and inserting ``3(v)(4)''. (c) Work Requirement for Able-Bodied Adults Without Dependents.--Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C 2015(o)) is amended-- (1) in paragraph (2)-- (A) in the matter preceding subparagraph (A), by striking ``not less than 3 months (consecutive or otherwise)'' and inserting ``more than 1 month''; (B) in subparagraph (C), by striking ``or'' at the end; (C) in subparagraph (D), by striking the period at the end and inserting ``; or''; and (D) by adding at the end the following: ``(E) participate in supervised job search for at least 8 hours per week.''; (2) in paragraph (4), by adding at the end the following: ``(C) Termination.--Subparagraph (A) shall not apply with respect to any fiscal ***year*** that begins after the effective date of the ***Agriculture*** Improvement Act of 2018.''; (3) in paragraph (6)-- (A) in the paragraph heading, by striking ``15-percent'' and inserting ``5-percent''; (B) in subparagraph (A)(ii)(IV), by striking ``3 months'' and inserting ``1 month''; and (C) in subparagraph (D), by striking ``15 percent'' and inserting ``5 percent''; and (4) by adding at the end the following: ``(8) Promoting work.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall provide each individual subject to the work requirement of this subsection with the opportunity to participate in an activity selected by the State from among the options described in subparagraphs (B), (C), and (E) of paragraph (2). ``(9) Penalties for inadequate state performance.--If a State agency fails to fully comply with this section, including the requirement to terminate the benefits of individuals who fail to fulfill the work requirements described in paragraph (2) during a fiscal quarter, the funding allotment of the State for the supplemental nutrition assistance ***program*** shall be reduced by 10 percent for the quarter that begins 180 days after the first day of the quarter in which the noncompliance occurred.''. [[Page S4762]] (d) Work Activation ***Program*** for Adults With Dependent Children.--The Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.) is amended by adding at the end the following: ``SEC. 30. WORK ACTIVATION ***PROGRAM*** FOR ADULTS WITH DEPENDENT CHILDREN. ``(a) Definitions.--In this section: ``(1) Eligible participant.--The term `eligible participant' means an individual who, during a particular month, is-- ``(A) a parent in a household with dependent children; ``(B) at least 19, and not more than 55, ***years*** of age; ``(C) not disabled; ``(D) a member of a household in which 1 or more parents or children receive supplemental nutrition assistance ***program*** benefits in the month; ``(E) a member of a household that received supplemental nutrition assistance ***program*** benefits for more than 3 months in the ***year***; and ``(F) employed less than 100 hours in the month. ``(2) Married couple household.--The term `married couple household' means a household that includes 2 eligible participants who are married to each other and have dependent children. ``(3) Successful engagement in work activation.--The term `successful engagement in work activation' means-- ``(A) in the case of an individual who is eligible and required to participate in interim work activation, performance during the month that fulfills the activity and hour requirements of subsection (c); ``(B) in the case of an individual who is required to participate in full work activation, performance during the month that fulfills the activity and hour requirements of subsection (d); and ``(C) in the case of an individual who meets the eligibility criteria described in subsection (e)(1), performance that fulfills the activity and hour requirements of that subsection. ``(4) Work and work preparation activities.--The term `work and work preparation activities' means-- ``(A) unsubsidized employment; ``(B) subsidized private sector employment; ``(C) subsidized public sector employment; ``(D) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available; ``(E) on-the-job training; ``(F) job readiness assistance; ``(G) a community service ***program***; ``(H) vocational educational training (not to exceed 1 ***year*** with respect to any individual); ``(I) job skills training directly related to employment; ``(J) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; ``(K) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; ``(L) the provision of child care services to an individual who is participating in a community service ***program***; ``(M) workfare under section 20; and ``(N) supervised job search. ``(b) Work Activation ***Program***.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall be required to operate a work activation ***program*** for eligible participants. ``(2) Special rules for married couple households.-- ``(A) In general.--In the case of eligible participants who are spouses in a married couple household-- ``(i) the work activation requirement of this section shall apply only if the sum of the combined current employment of both spouses is less than 100 hours per month; and ``(ii) both spouses shall be considered to have achieved successful engagement in the work activation ***program*** if either spouse fulfills the work activation requirements described in subsection (c), (d), or (e)(1). ``(B) Total required hours.--The total combined number of hours of required work and work preparation activities for both spouses in a married couple household shall not be greater than the total number of hours required for a single head of household. ``(C) Requirement.--In carrying out this section, a State agency shall ensure that, for any month-- ``(i) the proportion that-- ``(I) the number of married couple households that are required to participate in work activation under this section in a month; bears to ``(II) the number of all households that are required to participate in work activation under this section in the same month; is not greater than-- ``(ii) the proportion that-- ``(I) the number of all married couple households with eligible participants in the month; bears to ``(II) the number of all households with eligible participants in the same month. ``(c) Short-Term Interim Work Activation.-- ``(1) In general.--A State agency may require eligible participants who meet the criteria in paragraph (2) to engage in-- ``(A) interim work activation as described in this subsection; or ``(B) full work activation as described in subsection (d). ``(2) Eligibility.--A State agency may require an eligible participant to participate in interim work activation instead of full work activation if the eligible participant has not engaged in work activation under this section in the preceding 3 ***years***. ``(3) Required job search.--A participant in interim work activation shall be required-- ``(A) to participate in supervised job search for at least 6 hours per week; and ``(B) to engage in such additional activities as the State agency may require. ``(4) Time limit on interim work activation.-- ``(A) In general.--An eligible participant shall not participate in interim work activation for more than 3 months. ``(B) Additional time.--After an eligible participant has participated in interim work activation for 3 months, the State agency shall require the eligible participant-- ``(i) to maintain at least 100 hours of employment per month; or ``(ii) to participate in full work activation. ``(d) Full Work Activation.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall require all or part of the eligible participants in the State to engage in full work activation under this section. ``(2) Requirements.--An eligible participant who is required to participate in full work activation in a month shall be required to engage in 1 or more work and work preparation activities for an average of 100 hours per month. ``(3) Limitation.--Of the total number of required hours described in paragraph (2), not fewer than 20 hours per week shall be attributable to an activity described in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (L), (M), or (N) of subsection (a)(4). ``(4) Participation in community service or workfare.--At least 10 percent of the eligible participants that a State requires to participate in full work activation under this section shall be required to participate in activities described in subparagraph (D), (G), or (M) of subsection (a)(4). ``(5) Work activation not employment.--Other than unsubsidized employment described in subsection (a)(4)(A), participation in work and work preparation activities under this section shall not be-- ``(A) considered to be employment; or ``(B) subject to any law pertaining to wages, compensation, hours, or conditions of employment under any law administered by the Secretary of Labor. ``(6) Additional required activity.--Except as provided in subsection (g), nothing in this section prevents a State from requiring more than 100 hours per month of participation in work and work preparation activities. ``(e) Limitations and Special Rules.-- ``(1) Single teen head of household or married teen who maintains satisfactory school attendance.--For purposes of determining monthly participation rates under this section, an eligible participant who is married or a head of household and who has not attained 20 ***years*** of age shall be considered to have completed successful engagement in work activation for a month if the eligible participant-- ``(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or ``(B) participates in education directly related to employment for an average of at least 20 hours per week during the month. ``(2) Limitation on number of persons who may be treated as engaged in work activation by reason of participation in educational activities.--For purposes of determining monthly participation rates under this section, not more than 30 percent of the number of individuals in a State who are treated as having completed successful engagement in work activation for a month may be individuals who are determined to be engaged in work activation for the month by reason of participation in vocational educational training. ``(f) State Option for Participation Requirement Exemptions.-- ``(1) In general.--For any fiscal ***year***, a State agency, at the option of the State agency, may-- ``(A) exempt a household that includes a child who has not attained 12 months of age from engaging in work activation; and ``(B) disregard that household in determining the monthly participation rates under this section until the child has attained 12 months of age. ``(2) Exclusion.--For purposes of determining monthly participation rates under this section, a household that includes a child who has not attained 6 ***years*** of age shall be considered to be successfully engaged in work activation for a month if a member of the household receiving supplemental nutrition assistance ***program*** benefits is engaged in work activation for an average of at least 20 hours per week during the month. ``(g) Penalties Against Individuals.-- ``(1) In general.--Except as provided in paragraph (3), if an eligible participant in a household receiving assistance under the State ***program*** funded under this section fails to complete successful engagement in work activation in accordance with this section, the State agency shall-- [[Page S4763]] ``(A) in accordance with paragraph (2), reduce the amount of assistance otherwise payable to the entire household pro rata (or more, at the option of the State agency) with respect to the month immediately after any month in which the eligible participant fails to perform; or ``(B) terminate the assistance entirely. ``(2) Pro rata reduction.--For purposes of paragraph (1)(A), the amount of the pro rata reduction shall equal the product obtained by multiplying-- ``(A) the normal monthly amount of assistance to the entire household that would have been received if not for the reduction under paragraph (1)(A); by ``(B) the proportion that-- ``(i) the hours of required work and work preparation activities performed by the eligible participant during the month; bears to ``(ii) the number or hours of work and work preparation activities the State agency required the eligible participant to perform in accordance with this section. ``(3) Exception.--A State may not reduce or terminate assistance under the State ***program*** funded under this section or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B) of the Social Security Act (42 U.S.C 609(a)(7)(B))) based on a refusal of an eligible participant to engage in work and work preparation activities required under this section if-- ``(A) the eligible participant is a single custodial parent caring for a child who has not attained 6 ***years*** of age; and ``(B) the eligible participant proves that the eligible participant has a demonstrated inability (as determined by the State agency) to obtain needed child care, due to-- ``(i) unavailability of appropriate child care within a reasonable distance from the home or work site of the eligible participant; or ``(ii) unavailability of all affordable child care arrangements, including formal child care and all informal child care by a relative or under other arrangements. ``(h) Limitation on Hours of Required Participation in Community Service or Workfare.-- ``(1) In general.--The maximum number of hours during a month that an eligible participant shall be required under this section to work in a community service ***program*** or a workfare ***program*** under section 20 shall not exceed the quotient obtained by dividing-- ``(A) the total dollar cost of all means-tested benefits received by the household for that month, as determined under paragraph (2); by ``(B) the Federal minimum wage. ``(2) Total dollar cost of all means-tested benefits defined.-- ``(A) In general.--Except as provided in subparagraph (B), the total dollar cost of all means-tested benefits shall equal the sum of the dollar cost of all benefits received by the household from-- ``(i) the supplemental nutrition assistance ***program***; ``(ii) the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))); and ``(iii) any assistance provided to a household, landlord, or public housing agency (as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C 1437a(b)(6))) to subsidize the rental ***payment*** for a dwelling unit, including assistance provided for public housing dwelling units under section 3 of the United States Housing Act of 1937 (42 U.S.C 1437a) and assistance provided under section 8 of that Act (42 U.S.C 1437f). ``(B) Value of benefits during sanction.--For purposes of subparagraph (A), if the dollar value of 1 or more benefits received by a household in a month has been reduced under subsection (g) or another sanction requirement, the calculated dollar value of the sanctioned benefits shall equal the dollar value of the benefit that would have been received if the benefit had not been reduced by the sanction. ``(3) Additional activities.--Nothing in this subsection prevents a State agency from requiring an eligible participant to engage in activities not described in paragraph (1) for additional hours during the month. ``(i) Work Activation Participation Goals.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, except as provided in paragraph (2), a State agency shall achieve for each quarter of the fiscal ***year*** with respect to all eligible participants receiving assistance under the State ***program*** funded under this section for that fiscal ***year*** at least the participation rate specified in the following table: ------------------------------------------------------------------------ The quarterly participation ``If the fiscal ***year*** is: rate shall be at least: ------------------------------------------------------------------------ 2019..................................... 20 percent 2020..................................... 35 percent 2021..................................... 50 percent 2022..................................... 65 percent 2023..................................... 80 percent. ------------------------------------------------------------------------ ``(2) Adjustment if recessionary period.--If the average national unemployment rate during a quarter of a fiscal ***year***, as determined by the Bureau of Labor Statistics of the Department of Labor, is more than 8 percent, the participation goal for the immediately succeeding quarter shall equal the product obtained by multiplying-- ``(A) the applicable quarterly participation rate under paragraph (1); by ``(B) 0.8 ``(j) Calculation of Work Activation Participation Rates.-- ``(1) Definition of sanctioned recipient.--In this subsection, the term `sanctioned recipient' means any eligible participant who-- ``(A) was required to participate in work activation in a month; ``(B) failed to perform the assigned work and work preparation activities so as to meet the relevant hourly requirements in subsection (c), (d), or (e)(2); and ``(C) was sanctioned by a reduced benefit ***payment*** in the subsequent month under subsection (g). ``(2) Requirements.--The work activation participation rate for a State for any quarter of a fiscal ***year*** shall equal the average of the monthly participation rates for the State during the 3 months of that quarter. ``(3) Monthly participation rate.--For purposes of paragraph (2), the monthly participation rate shall equal the ratio of all countable participants to all eligible participants in the month, as determined under paragraph (4). ``(4) Ratio of all countable participants to all eligible participants.--Subject to paragraph (5), the ratio of all countable participants to all eligible participants in a month equals the proportion that-- ``(A) the sum obtained by adding-- ``(i) all eligible participants who-- ``(I) were required by the State to engage in interim work activation, full work activation, or education under subsection (e)(1) during the month; and ``(II) fulfilled the criteria for successful engagement in work activation for that activity during the month; and ``(ii) all sanctioned recipients for that month; bears to ``(B) the average number of eligible participants in the State in that month. ``(5) Multiple eligible participants.--A married couple household consisting of more than 1 eligible participant shall be counted as a single eligible participant for purposes of calculating the participation rate under this subsection. ``(k) Penalties for Inadequate State Performance.-- ``(1) In general.--Beginning in the first quarter of fiscal ***year*** 2020 and for each subsequent quarter of fiscal ***year*** 2020 and of each subsequent fiscal ***year***, each State shall count the monthly average number of countable participants under this section. ``(2) Reduction in funding.--If the monthly average number of countable participants in a State of a fiscal ***year*** is not sufficient to fulfill the relevant work activation participation goal under subsection (i) during that quarter, the supplemental nutrition assistance ***program*** funding for the State under this Act shall be reduced for the fiscal quarter that begins 180 days after the first day of the quarter in which the inadequate performance occurred in accordance with paragraph (3). ``(3) Funding in penalized quarter.--The total amount of funding a State shall receive for all households with eligible participants for a quarter for which funding is reduced under paragraph (2) shall equal the product obtained by multiplying-- ``(A) the total amount of funding that the State would have received in the preceding quarter for all households with eligible participants if no reduction had been in place; by ``(B) the ratio of all countable participants to all eligible participants (as determined under subsection (j)(4)) for the quarter that began 180 days before the first day of the quarter for which funding is reduced. ``(l) Funding To Administer Work Activation.-- ``(1) TANF funding.-- ``(A) In general.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives supplemental nutrition assistance ***program*** funds under this Act may use during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section-- ``(i) any of the Federal funds available to the State through the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) in that fiscal ***year***; and ``(ii) any of the funds from State sources allocated to the operation of the ***program*** described in clause (i). ``(B) Effect.--Any State that uses State funds allocated to the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) to administer the work activation ***program*** of that State under this section may treat those funds as qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))) for purposes of meeting the requirements of section 409(a)(7) of that Act (42 U.S.C 609(a)(7)) in that fiscal ***year***. ``(2) Workforce investment act funding.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under the Workforce Investment Act of 1998 (29 U.S.C 2801 et seq.) may use up to 50 percent of those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section. [[Page S4764]] ``(3) Supplemental nutrition assistance ***program*** employment and training ***program***.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under this Act for an employment and training ***program*** under section 6(d) may use those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section.''. (e) Identification for Card Use.--Section 7(h)(9) of the Food and Nutrition Act of 2008 (7 U.S.C 2016(h)(9)) is amended-- (1) in the paragraph heading, by striking ``Optional photographic identification'' and inserting ``Identification for card use''; (2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately; (3) by inserting before clause (i) (as so redesignated) the following: ``(A) Listed beneficiaries.--A State agency shall require that an electronic benefit card lists the names of-- ``(i) the head of the household; ``(ii) each adult member of the household; and ``(iii) each adult that is not a member of the household that is authorized to use that card. ``(B) Photographic identification required.-- ``(i) In general.--Except as provided under clause (ii), any individual listed on an electronic benefit card under subparagraph (A) shall be required to show photographic identification at the point of sale when using the card. ``(ii) Head of household.--A head of a household is not required to show photographic identification under clause (i) if the electronic benefit card contains a photograph of that individual under subparagraph (C)(i). ``(C) Optional photographic identification.--''; (4) in subparagraph (C) (as so designated)-- (A) in clause (i) (as so redesignated), by striking ``1 or more members of a'' and inserting ``the head of the''; and (B) in clause (ii) (as so redesignated)-- (i) by striking ``subparagraph (A)'' and inserting ``clause (i)''; and (ii) by inserting ``subject to subparagraph (B)(i)'' after ``the card''; and (5) by adding at the end the following: ``(D) Visual verification.--Any individual that is shown photographic identification or an electronic benefit card containing a photograph, as applicable, under subparagraph (B) shall visually confirm that the photograph on the identification or the electronic benefit card, as applicable, is a clear and accurate likeness of the individual using the electronic benefit card.''. \_\_\_\_\_\_ SA 3383. Mr. KENNEDY (for himself, Mr. Cruz, Mr. Lee, and Mr. Inhofe) proposed an amendment to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: Strike section 4103 and insert the following: SEC. 4103. WORK REQUIREMENTS FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS. (a) Declaration of Policy.--Section 2 of the Food and Nutrition Act of 2008 (7 U.S.C 2011) is amended by adding at the end the following: ``Congress further finds that it should also be the purpose of the supplemental nutrition assistance ***program*** to increase employment, to encourage healthy marriage, and to promote prosperous self-sufficiency, which means the ability of households to maintain an income above the poverty level without services and benefits from the Federal Government.''. (b) Definitions.-- (1) Food.--Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C 2012(k)) is amended by inserting before the period at the end the following: ``, except that a food, food product, meal, or other item described in this subsection shall be considered a food under this Act only if it is an essential (as determined by the Secretary)''. (2) Supervised job search.--Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C 2012) is amended-- (A) by redesignating subsections (t) through (v) as subsections (u) through (w), respectively; and (B) by inserting after subsection (s) the following: ``(t) Supervised Job Search.--The term `supervised job search' means a job search ***program*** that has the following characteristics: ``(1) The job search occurs at an official location where the presence and activity of the recipient can be directly observed, supervised, and monitored. ``(2) The entry, time onsite, and exit of the recipient from the official job search location are recorded in a manner that prevents fraud. ``(3) The recipient is expected to remain and undertake job search activities at the job search center. ``(4) The quantity of time the recipient is observed and monitored engaging in job search at the official location is recorded for purposes of compliance with the work and work activation requirements of sections 6(o) and 30.''. (3) Conforming amendment.--Section 27(a)(2) of the Food and Nutrition Act of 2008 (7 U.S.C 2036(a)(2)) is amended in subparagraphs (C) and (E) by striking ``3(u)(4)'' each place it appears and inserting ``3(v)(4)''. (c) Work Requirement for Able-Bodied Adults Without Dependents.--Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C 2015(o)) is amended-- (1) in paragraph (2)-- (A) in the matter preceding subparagraph (A), by striking ``not less than 3 months (consecutive or otherwise)'' and inserting ``more than 1 month''; (B) in subparagraph (C), by striking ``or'' at the end; (C) in subparagraph (D), by striking the period at the end and inserting ``; or''; and (D) by adding at the end the following: ``(E) participate in supervised job search for at least 8 hours per week.''; (2) in paragraph (4), by adding at the end the following: ``(C) Termination.--Subparagraph (A) shall not apply with respect to any fiscal ***year*** that begins after the effective date of the ***Agriculture*** Improvement Act of 2018.''; (3) in paragraph (6)-- (A) in the paragraph heading, by striking ``15-percent'' and inserting ``5-percent''; (B) in subparagraph (A)(ii)(IV), by striking ``3 months'' and inserting ``1 month''; and (C) in subparagraph (D), by striking ``15 percent'' and inserting ``5 percent''; and (4) by adding at the end the following: ``(8) Promoting work.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall provide each individual subject to the work requirement of this subsection with the opportunity to participate in an activity selected by the State from among the options described in subparagraphs (B), (C), and (E) of paragraph (2). ``(9) Penalties for inadequate state performance.--If a State agency fails to fully comply with this section, including the requirement to terminate the benefits of individuals who fail to fulfill the work requirements described in paragraph (2) during a fiscal quarter, the funding allotment of the State for the supplemental nutrition assistance ***program*** shall be reduced by 10 percent for the quarter that begins 180 days after the first day of the quarter in which the noncompliance occurred.''. (d) Work Activation ***Program*** for Adults With Dependent Children.--The Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.) is amended by adding at the end the following: ``SEC. 30. WORK ACTIVATION ***PROGRAM*** FOR ADULTS WITH DEPENDENT CHILDREN. ``(a) Definitions.--In this section: ``(1) Eligible participant.--The term `eligible participant' means an individual who, during a particular month, is-- ``(A) a parent in a household with dependent children; ``(B) at least 19, and not more than 55, ***years*** of age; ``(C) not disabled; ``(D) a member of a household in which 1 or more parents or children receive supplemental nutrition assistance ***program*** benefits in the month; ``(E) a member of a household that received supplemental nutrition assistance ***program*** benefits for more than 3 months in the ***year***; and ``(F) employed less than 100 hours in the month. ``(2) Married couple household.--The term `married couple household' means a household that includes 2 eligible participants who are married to each other and have dependent children. ``(3) Successful engagement in work activation.--The term `successful engagement in work activation' means-- ``(A) in the case of an individual who is eligible and required to participate in interim work activation, performance during the month that fulfills the activity and hour requirements of subsection (c); ``(B) in the case of an individual who is required to participate in full work activation, performance during the month that fulfills the activity and hour requirements of subsection (d); and ``(C) in the case of an individual who meets the eligibility criteria described in subsection (e)(1), performance that fulfills the activity and hour requirements of that subsection. ``(4) Work and work preparation activities.--The term `work and work preparation activities' means-- ``(A) unsubsidized employment; ``(B) subsidized private sector employment; ``(C) subsidized public sector employment; ``(D) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available; ``(E) on-the-job training; ``(F) job readiness assistance; ``(G) a community service ***program***; ``(H) vocational educational training (not to exceed 1 ***year*** with respect to any individual); ``(I) job skills training directly related to employment; ``(J) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; ``(K) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed [[Page S4765]] secondary school or received such a certificate; ``(L) the provision of child care services to an individual who is participating in a community service ***program***; ``(M) workfare under section 20; and ``(N) supervised job search. ``(b) Work Activation ***Program***.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall be required to operate a work activation ***program*** for eligible participants. ``(2) Special rules for married couple households.-- ``(A) In general.--In the case of eligible participants who are spouses in a married couple household-- ``(i) the work activation requirement of this section shall apply only if the sum of the combined current employment of both spouses is less than 100 hours per month; and ``(ii) both spouses shall be considered to have achieved successful engagement in the work activation ***program*** if either spouse fulfills the work activation requirements described in subsection (c), (d), or (e)(1). ``(B) Total required hours.--The total combined number of hours of required work and work preparation activities for both spouses in a married couple household shall not be greater than the total number of hours required for a single head of household. ``(C) Requirement.--In carrying out this section, a State agency shall ensure that, for any month-- ``(i) the proportion that-- ``(I) the number of married couple households that are required to participate in work activation under this section in a month; bears to ``(II) the number of all households that are required to participate in work activation under this section in the same month; is not greater than-- ``(ii) the proportion that-- ``(I) the number of all married couple households with eligible participants in the month; bears to ``(II) the number of all households with eligible participants in the same month. ``(c) Short-Term Interim Work Activation.-- ``(1) In general.--A State agency may require eligible participants who meet the criteria in paragraph (2) to engage in-- ``(A) interim work activation as described in this subsection; or ``(B) full work activation as described in subsection (d). ``(2) Eligibility.--A State agency may require an eligible participant to participate in interim work activation instead of full work activation if the eligible participant has not engaged in work activation under this section in the preceding 3 ***years***. ``(3) Required job search.--A participant in interim work activation shall be required-- ``(A) to participate in supervised job search for at least 6 hours per week; and ``(B) to engage in such additional activities as the State agency may require. ``(4) Time limit on interim work activation.-- ``(A) In general.--An eligible participant shall not participate in interim work activation for more than 3 months. ``(B) Additional time.--After an eligible participant has participated in interim work activation for 3 months, the State agency shall require the eligible participant-- ``(i) to maintain at least 100 hours of employment per month; or ``(ii) to participate in full work activation. ``(d) Full Work Activation.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, a State agency shall require all or part of the eligible participants in the State to engage in full work activation under this section. ``(2) Requirements.--An eligible participant who is required to participate in full work activation in a month shall be required to engage in 1 or more work and work preparation activities for an average of 100 hours per month. ``(3) Limitation.--Of the total number of required hours described in paragraph (2), not fewer than 20 hours per week shall be attributable to an activity described in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (L), (M), or (N) of subsection (a)(4). ``(4) Participation in community service or workfare.--At least 10 percent of the eligible participants that a State requires to participate in full work activation under this section shall be required to participate in activities described in subparagraph (D), (G), or (M) of subsection (a)(4). ``(5) Work activation not employment.--Other than unsubsidized employment described in subsection (a)(4)(A), participation in work and work preparation activities under this section shall not be-- ``(A) considered to be employment; or ``(B) subject to any law pertaining to wages, compensation, hours, or conditions of employment under any law administered by the Secretary of Labor. ``(6) Additional required activity.--Except as provided in subsection (g), nothing in this section prevents a State from requiring more than 100 hours per month of participation in work and work preparation activities. ``(e) Limitations and Special Rules.-- ``(1) Single teen head of household or married teen who maintains satisfactory school attendance.--For purposes of determining monthly participation rates under this section, an eligible participant who is married or a head of household and who has not attained 20 ***years*** of age shall be considered to have completed successful engagement in work activation for a month if the eligible participant-- ``(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or ``(B) participates in education directly related to employment for an average of at least 20 hours per week during the month. ``(2) Limitation on number of persons who may be treated as engaged in work activation by reason of participation in educational activities.--For purposes of determining monthly participation rates under this section, not more than 30 percent of the number of individuals in a State who are treated as having completed successful engagement in work activation for a month may be individuals who are determined to be engaged in work activation for the month by reason of participation in vocational educational training. ``(f) State Option for Participation Requirement Exemptions.-- ``(1) In general.--For any fiscal ***year***, a State agency, at the option of the State agency, may-- ``(A) exempt a household that includes a child who has not attained 12 months of age from engaging in work activation; and ``(B) disregard that household in determining the monthly participation rates under this section until the child has attained 12 months of age. ``(2) Exclusion.--For purposes of determining monthly participation rates under this section, a household that includes a child who has not attained 6 ***years*** of age shall be considered to be successfully engaged in work activation for a month if a member of the household receiving supplemental nutrition assistance ***program*** benefits is engaged in work activation for an average of at least 20 hours per week during the month. ``(g) Penalties Against Individuals.-- ``(1) In general.--Except as provided in paragraph (3), if an eligible participant in a household receiving assistance under the State ***program*** funded under this section fails to complete successful engagement in work activation in accordance with this section, the State agency shall-- ``(A) in accordance with paragraph (2), reduce the amount of assistance otherwise payable to the entire household pro rata (or more, at the option of the State agency) with respect to the month immediately after any month in which the eligible participant fails to perform; or ``(B) terminate the assistance entirely. ``(2) Pro rata reduction.--For purposes of paragraph (1)(A), the amount of the pro rata reduction shall equal the product obtained by multiplying-- ``(A) the normal monthly amount of assistance to the entire household that would have been received if not for the reduction under paragraph (1)(A); by ``(B) the proportion that-- ``(i) the hours of required work and work preparation activities performed by the eligible participant during the month; bears to ``(ii) the number or hours of work and work preparation activities the State agency required the eligible participant to perform in accordance with this section. ``(3) Exception.--A State may not reduce or terminate assistance under the State ***program*** funded under this section or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B) of the Social Security Act (42 U.S.C 609(a)(7)(B))) based on a refusal of an eligible participant to engage in work and work preparation activities required under this section if-- ``(A) the eligible participant is a single custodial parent caring for a child who has not attained 6 ***years*** of age; and ``(B) the eligible participant proves that the eligible participant has a demonstrated inability (as determined by the State agency) to obtain needed child care, due to-- ``(i) unavailability of appropriate child care within a reasonable distance from the home or work site of the eligible participant; or ``(ii) unavailability of all affordable child care arrangements, including formal child care and all informal child care by a relative or under other arrangements. ``(h) Limitation on Hours of Required Participation in Community Service or Workfare.-- ``(1) In general.--The maximum number of hours during a month that an eligible participant shall be required under this section to work in a community service ***program*** or a workfare ***program*** under section 20 shall not exceed the quotient obtained by dividing-- ``(A) the total dollar cost of all means-tested benefits received by the household for that month, as determined under paragraph (2); by ``(B) the Federal minimum wage. ``(2) Total dollar cost of all means-tested benefits defined.-- ``(A) In general.--Except as provided in subparagraph (B), the total dollar cost of all means-tested benefits shall equal the sum of the dollar cost of all benefits received by the household from-- ``(i) the supplemental nutrition assistance ***program***; ``(ii) the State ***program*** funded under part A of title IV of the Social Security Act (42 [[Page S4766]] U.S.C 601 et seq.) or any other State ***program*** funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))); and ``(iii) any assistance provided to a household, landlord, or public housing agency (as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C 1437a(b)(6))) to subsidize the rental ***payment*** for a dwelling unit, including assistance provided for public housing dwelling units under section 3 of the United States Housing Act of 1937 (42 U.S.C 1437a) and assistance provided under section 8 of that Act (42 U.S.C 1437f). ``(B) Value of benefits during sanction.--For purposes of subparagraph (A), if the dollar value of 1 or more benefits received by a household in a month has been reduced under subsection (g) or another sanction requirement, the calculated dollar value of the sanctioned benefits shall equal the dollar value of the benefit that would have been received if the benefit had not been reduced by the sanction. ``(3) Additional activities.--Nothing in this subsection prevents a State agency from requiring an eligible participant to engage in activities not described in paragraph (1) for additional hours during the month. ``(i) Work Activation Participation Goals.-- ``(1) In general.--As a condition of receiving supplemental nutrition assistance ***program*** funds under this Act, except as provided in paragraph (2), a State agency shall achieve for each quarter of the fiscal ***year*** with respect to all eligible participants receiving assistance under the State ***program*** funded under this section for that fiscal ***year*** at least the participation rate specified in the following table: ------------------------------------------------------------------------ The quarterly participation ``If the fiscal ***year*** is: rate shall be at least: ------------------------------------------------------------------------ 2019..................................... 20 percent 2020..................................... 35 percent 2021..................................... 50 percent 2022..................................... 65 percent 2023..................................... 80 percent. ------------------------------------------------------------------------ ``(2) Adjustment if recessionary period.--If the average national unemployment rate during a quarter of a fiscal ***year***, as determined by the Bureau of Labor Statistics of the Department of Labor, is more than 8 percent, the participation goal for the immediately succeeding quarter shall equal the product obtained by multiplying-- ``(A) the applicable quarterly participation rate under paragraph (1); by ``(B) 0.8 ``(j) Calculation of Work Activation Participation Rates.-- ``(1) Definition of sanctioned recipient.--In this subsection, the term `sanctioned recipient' means any eligible participant who-- ``(A) was required to participate in work activation in a month; ``(B) failed to perform the assigned work and work preparation activities so as to meet the relevant hourly requirements in subsection (c), (d), or (e)(2); and ``(C) was sanctioned by a reduced benefit ***payment*** in the subsequent month under subsection (g). ``(2) Requirements.--The work activation participation rate for a State for any quarter of a fiscal ***year*** shall equal the average of the monthly participation rates for the State during the 3 months of that quarter. ``(3) Monthly participation rate.--For purposes of paragraph (2), the monthly participation rate shall equal the ratio of all countable participants to all eligible participants in the month, as determined under paragraph (4). ``(4) Ratio of all countable participants to all eligible participants.--Subject to paragraph (5), the ratio of all countable participants to all eligible participants in a month equals the proportion that-- ``(A) the sum obtained by adding-- ``(i) all eligible participants who-- ``(I) were required by the State to engage in interim work activation, full work activation, or education under subsection (e)(1) during the month; and ``(II) fulfilled the criteria for successful engagement in work activation for that activity during the month; and ``(ii) all sanctioned recipients for that month; bears to ``(B) the average number of eligible participants in the State in that month. ``(5) Multiple eligible participants.--A married couple household consisting of more than 1 eligible participant shall be counted as a single eligible participant for purposes of calculating the participation rate under this subsection. ``(k) Penalties for Inadequate State Performance.-- ``(1) In general.--Beginning in the first quarter of fiscal ***year*** 2020 and for each subsequent quarter of fiscal ***year*** 2020 and of each subsequent fiscal ***year***, each State shall count the monthly average number of countable participants under this section. ``(2) Reduction in funding.--If the monthly average number of countable participants in a State of a fiscal ***year*** is not sufficient to fulfill the relevant work activation participation goal under subsection (i) during that quarter, the supplemental nutrition assistance ***program*** funding for the State under this Act shall be reduced for the fiscal quarter that begins 180 days after the first day of the quarter in which the inadequate performance occurred in accordance with paragraph (3). ``(3) Funding in penalized quarter.--The total amount of funding a State shall receive for all households with eligible participants for a quarter for which funding is reduced under paragraph (2) shall equal the product obtained by multiplying-- ``(A) the total amount of funding that the State would have received in the preceding quarter for all households with eligible participants if no reduction had been in place; by ``(B) the ratio of all countable participants to all eligible participants (as determined under subsection (j)(4)) for the quarter that began 180 days before the first day of the quarter for which funding is reduced. ``(l) Funding To Administer Work Activation.-- ``(1) TANF funding.-- ``(A) In general.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives supplemental nutrition assistance ***program*** funds under this Act may use during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section-- ``(i) any of the Federal funds available to the State through the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) in that fiscal ***year***; and ``(ii) any of the funds from State sources allocated to the operation of the ***program*** described in clause (i). ``(B) Effect.--Any State that uses State funds allocated to the State ***program*** funded under part A of title IV of the Social Security Act (42 U.S.C 601 et seq.) to administer the work activation ***program*** of that State under this section may treat those funds as qualified State expenditures (as defined in section 409(a)(7)(B)(i) of that Act (42 U.S.C 609(a)(7)(B)(i))) for purposes of meeting the requirements of section 409(a)(7) of that Act (42 U.S.C 609(a)(7)) in that fiscal ***year***. ``(2) Workforce investment act funding.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under the Workforce Investment Act of 1998 (29 U.S.C 2801 et seq.) may use up to 50 percent of those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section. ``(3) Supplemental nutrition assistance ***program*** employment and training ***program***.--Notwithstanding any other provision of law, for fiscal ***year*** 2019 and each subsequent fiscal ***year***, a State that receives Federal funds under this Act for an employment and training ***program*** under section 6(d) may use those funds during that fiscal ***year*** to carry out the work activation ***program*** of the State under this section.''. (e) Identification for Card Use.--Section 7(h)(9) of the Food and Nutrition Act of 2008 (7 U.S.C 2016(h)(9)) is amended-- (1) in the paragraph heading, by striking ``Optional photographic identification'' and inserting ``Identification for card use''; (2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately; (3) by inserting before clause (i) (as so redesignated) the following: ``(A) Listed beneficiaries.--A State agency shall require that an electronic benefit card lists the names of-- ``(i) the head of the household; ``(ii) each adult member of the household; and ``(iii) each adult that is not a member of the household that is authorized to use that card. ``(B) Photographic identification required.-- ``(i) In general.--Except as provided under clause (ii), any individual listed on an electronic benefit card under subparagraph (A) shall be required to show photographic identification at the point of sale when using the card. ``(ii) Head of household.--A head of a household is not required to show photographic identification under clause (i) if the electronic benefit card contains a photograph of that individual under subparagraph (C)(i). ``(C) Optional photographic identification.--''; (4) in subparagraph (C) (as so designated)-- (A) in clause (i) (as so redesignated), by striking ``1 or more members of a'' and inserting ``the head of the''; and (B) in clause (ii) (as so redesignated)-- (i) by striking ``subparagraph (A)'' and inserting ``clause (i)''; and (ii) by inserting ``subject to subparagraph (B)(i)'' after ``the card''; and (5) by adding at the end the following: ``(D) Visual verification.--Any individual that is shown photographic identification or an electronic benefit card containing a photograph, as applicable, under subparagraph (B) shall visually confirm that the photograph on the identification or the electronic benefit card, as applicable, is a clear and accurate likeness of the individual using the electronic benefit card.''. \_\_\_\_\_\_ SA 3384. Mr. SANDERS submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for [[Page S4767]] the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: On page 141, strike lines 15 through 21 and insert the following: ``(2) establish ***payments*** to provide an incentive for the use of practices, such as cover crops, no-till farming, nutrient management, resource-conserving crop rotations, and other similar practices approved under the pilot project that-- ``(A) improve soil health; ``(B) increase carbon levels in the soil; or ``(C) meet the goals described in subparagraphs (A) and (B); and \_\_\_\_\_\_ SA 3385. Mr. SASSE (for himself, Mr. Daines, Mr. Hoeven, Mr. Jones, Mr. Risch, Mr. Tester, Ms. Heitkamp, Mrs. Ernst, Mr. Rubio, Mr. Crapo, Mr. Paul, Mr. Enzi, Ms. Smith, and Mr. Rounds) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title XII, add the following: SEC. 121\_\_. HOURS OF SERVICE REGULATIONS FOR TRANSPORTATION OF LIVESTOCK. The Secretary of Transportation shall amend part 395 of title 49, Code of Federal Regulations, to ensure that, in the case of a driver transporting livestock (as defined in section 602 of the Emergency Livestock Feed Assistance Act of 1988 (7 U.S.C 1471)) or insects within a 300 air-mile radius from the point at which the on-duty time of the driver begins with respect to the trip-- (1) the on-duty time of the driver shall exclude all time spent-- (A) at a plant, terminal, facility, or other property of a motor carrier or shipper or on any public property during which the driver is waiting to be dispatched; (B) loading or unloading a commercial motor vehicle; (C) supervising or assisting in the loading or unloading of a commercial motor vehicle; (D) attending to a commercial motor vehicle while the vehicle is being loaded or unloaded; (E) remaining in readiness to operate a commercial motor vehicle; and (F) giving or receiving receipts for shipments loaded or unloaded; (2) except as provided in paragraph (5), the driving time under section 395.3(a)(3)(i) of that title is modified to a maximum of not less than 15, and not more than 18, hours within a 24-hour period; (3) the driver may take 1 or more rest periods during the trip, which shall not be included in the calculation of the driving time; (4) after completion of the trip, the driver shall be required to take a rest break for a period that is 5 hours less than the maximum driving time under paragraph (2); (5) if the driver is within 150 air-miles of the point of delivery, any additional driving to that point of delivery shall not be included in the calculation of the driving time; and (6) the 10-hour rest period under section 395.3(a)(1) of that title shall not apply. \_\_\_\_\_\_ SA 3386. Mr. SASSE submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle D of title II, add the following: SEC. 24\_\_. GAO STUDY ON NATURAL RESOURCES CONSERVATION SERVICE DETERMINATIONS OF ***PROGRAM*** INELIGIBILITY. (a) In General.--As soon as practicable after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study of the coordination between the Natural Resources Conservation Service and the Farm Service Agency to determine-- (1) the number of producers that were determined to be ineligible for Department of ***Agriculture*** benefits as a result of noncompliance with applicable requirements under conservation ***programs*** (referred to in this section as ``applicable conservation requirements''); (2) in any case in which a producer was determined not to be in compliance with an applicable conservation requirement, the penalties enforced against the producer; (3) the total number of acres determined not to be in compliance with applicable conservation requirements; (4) applicable procedures to ensure producers can work with the Natural Resources Conservation Service to bring the acres of the producers into compliance with applicable conservation requirements; (5) the coordination between county and State offices with respect to evaluation of compliance with applicable conservation requirements; and (6)(A) the means by which the Natural Resources Conservation Service determines which tracts of land to evaluate for compliance with applicable conservation requirements; and (B) whether a random order of selection is the most efficient way to evaluate whether producers are achieving compliance with applicable conservation requirements. (b) Components.--The study under subsection (a) shall include-- (1) an evaluation of the appeals process relating to determinations of ineligibility for Federal ***programs***, including a review, during the 5-***year*** period ending on the date on which the study is commenced, of those appeals brought to the National Appeals Division; and (2) the development of recommendations, taking into consideration affected watersheds, regions, counties, and adjacent landowners, to improve efficiency in the management of Federal resources relating to producer compliance with applicable conservation requirements. \_\_\_\_\_\_ SA 3387. Mr. BARRASSO (for himself, Mr. Bennet, Mr. Enzi, and Mr. Whitehouse) submitted an amendment intended to be proposed to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle B of title VI, add the following: SEC. 62\_\_. LOANS FOR CARBON DIOXIDE CAPTURE AND UTILIZATION. (a) In General.--Title I of the Rural Electrification Act of 1936 (7 U.S.C 901 et seq.) is amended by inserting after section 19 the following: ``SEC. 20. LOANS FOR CARBON DIOXIDE CAPTURE AND UTILIZATION. ``(a) In General.--Notwithstanding any other provision of law (including regulations), in carrying out any ***program*** under this Act under which the Secretary provides a loan or loan guarantee, the Secretary may provide such a loan or loan guarantee to facilities employing commercially demonstrated technologies for carbon dioxide capture and utilization.''. (b) Authorization of Appropriations.--Section 3 of the Rural Electrification Act of 1936 (7 U.S.C 903) is amended-- (1) by striking ``There are'' and inserting the following: ``(a) In General.--Subject to subsection (b)(2), there are''; and (2) by adding at the end the following: ``(b) Loans for Carbon Dioxide Capture and Utilization.-- ``(1) In general.--There are authorized to be appropriated such sums as are necessary to carry out section 20. ``(2) Separate appropriations.--The sums appropriated under paragraph (1) shall be separate and distinct from the sums appropriated under subsection (a).''. \_\_\_\_\_\_ SA 3388. Mr. ROBERTS (for Ms. Cortez Masto (for herself and Mr. Portman)) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: At the end of subtitle C of title VI, add the following: SEC. 63\_\_. COUNCIL ON RURAL COMMUNITY INNOVATION AND ECONOMIC DEVELOPMENT. (a) Findings.--Congress makes the following findings: (1) 16 percent of the population of the United States lives in rural counties. (2) Strong, sustainable rural communities are essential to future prosperity and ensuring United States competitiveness in the ***years*** ahead. (3) Rural communities supply the food, fiber, and energy of the United States, safeguard the natural resources of the United States, and are essential to the development of science and innovation. (4) Though rural communities face numerous challenges, they also present enormous economic potential. (5) The Federal Government has an important role to play in expanding access to the capital necessary for economic growth, promoting innovation, increasing energy resiliency and reliability, improving access to health care and education, and expanding outdoor recreational activities on public land. (b) Purpose.--The purpose of this section is to enhance the efforts of the Federal Government to address the needs of rural areas in the United States by-- (1) establishing a council to better coordinate Federal ***programs*** directed to rural communities; (2) maximizing the impact of Federal investment to promote economic prosperity [[Page S4768]] and quality of life in rural communities in the United States; and (3) using innovation to resolve local and regional challenges faced by rural communities. (c) Establishment.--There is established a Council on Rural Community Innovation and Economic Development (referred to in this section as the ``Council''). (d) Membership.-- (1) In general.--The membership of the Council shall be composed of the heads of the following executive branch departments, agencies, and offices: (A) The Department of ***Agriculture***. (B) The Department of the Treasury. (C) The Department of Defense. (D) The Department of Justice. (E) The Department of the Interior. (F) The Department of Commerce. (G) The Department of Labor. (H) The Department of Health and Human Services. (I) The Department of Housing and Urban Development. (J) The Department of Transportation. (K) The Department of Energy. (L) The Department of Education. (M) The Department of Veterans Affairs. (N) The Department of Homeland Security. (O) The Environmental Protection Agency. (P) The Federal Communications Commission. (Q) The Office of Management and Budget. (R) The Office of Science and Technology Policy. (S) The Office of National Drug Control Policy. (T) The Council of Economic Advisers. (U) The Domestic Policy Council. (V) The National Economic Council. (W) The Small Business Administration. (X) The Council on Environmental Quality. (Y) The White House Office of Public Engagement. (Z) The White House Office of Cabinet Affairs. (AA) Such other executive branch departments, agencies, and offices as the President or the Secretary may, from time to time, designate. (2) Chair.--The Secretary shall serve as the Chair of the Council. (3) Designees.--A member of the Council may designate, to perform the Council functions of the member, a senior-level official who is-- (A) part of the department, agency, or office of the member; and (B) a full-time officer or employee of the Federal Government. (4) Administration.--The Council shall coordinate policy development through the rural development mission area. (e) Funding.--The Secretary shall provide funding and administrative support for the Council to the extent permitted by law and within existing appropriations. (f) Mission and Function of the Council.--The Council shall work across executive departments, agencies, and offices to coordinate development of policy recommendations-- (1) to maximize the impact of Federal investment of rural communities; (2) to promote economic prosperity and quality of life in rural communities; and (3) to use innovation to resolve local and regional challenges faced by rural communities. (g) Duties.--The Council shall-- (1) make recommendations to the President, acting through the Director of the Domestic Policy Council and the Director of the National Economic Council, on streamlining and leveraging Federal investments in rural areas, where appropriate, to increase the impact of Federal dollars and create economic opportunities to improve the quality of life in rural areas in the United States; (2) coordinate and increase the effectiveness of Federal engagement with rural stakeholders, including ***agricultural*** organizations, small businesses, education and training institutions, health-care providers, telecommunications services providers, electric service providers, transportation providers, research and land grant institutions, law enforcement, State, local, and tribal governments, and nongovernmental organizations regarding the needs of rural areas in the United States; (3) coordinate Federal efforts directed toward the growth and development of rural geographic regions that encompass both metropolitan and nonmetropolitan areas; (4) identify and facilitate rural economic opportunities associated with energy development, outdoor recreation, and other conservation related activities; and (5) identify common economic and social challenges faced by rural communities that could be served through-- (A) better coordination of existing Federal and non-Federal resources; and (B) innovative solutions utilizing governmental and nongovernmental resources. (h) Executive Departments and Agencies.-- (1) In general.--The heads of executive departments and agencies shall assist and provide information to the Council, consistent with applicable law, as may be necessary to carry out the functions of the Council. (2) Expenses.--Each executive department or agency shall be responsible for paying any expenses of the executive department or agency for participating in the Council. (i) Report on Rural Smart Communities.-- (1) In general.--Not later than 1 ***year*** after the establishment of the Council, the Council shall submit to Congress a report describing efforts of rural areas to integrate ``smart'' technology into their communities to solve challenges relating to energy, transportation, health care, law enforcement, housing, or other relevant local issues, as determined by the Secretary. (2) Smart rural communities.--The report under paragraph (1) shall include a description of efforts of rural communities to apply innovative and advanced technologies and related mechanisms (such as telecommunications, energy, transportation, housing, economic development)-- (A) to improve the health and quality of life of residents; (B) to increase the efficiency and cost-effectiveness of civic operations and services, including public safety and other vital public functions; (C) to promote economic growth; (D) to enhance the use of electricity in the community and reduce pollution; and (E) to create a more sustainable and resilient community. (3) Other inclusions.--The report under paragraph (1) shall include-- (A) an analysis of efforts to integrate ``smart'' technology into rural communities across the United States; (B) an analysis of barriers and challenges faced by rural areas in integrating ``smart'' technology into their communities; (C) an analysis of Federal efforts to assist rural areas with the development and integration of ``smart'' technology into rural communities; (D) recommendations, if any, on how to improve coordination and deployment of Federal efforts to assist rural areas develop and integrate ``smart'' technology into their communities; (E) recommendations, if any, on how rural areas developing ``smart'' communities can better leverage private sector resources; and (F) guidelines that establish best practices for rural areas that desire to use ``smart'' technology to overcome local challenges. (j) Review of Public Benefit to Rural Communities on the Creation of Rural Smart Community Demonstration Projects.-- (1) In general.--On completion of the report under subsection (i)(1), the Council shall review the benefits of the creation of a rural smart community demonstration projects ***program*** for the purposes of coordinating Department of ***Agriculture*** rural development, housing, energy, and telecommunication ***programs***, and other Federal ***programs*** specific to rural communities, to expand innovative technologies and address local challenges specific to rural communities. (2) Inclusions.--In the review under paragraph (1) the Council shall determine whether a rural smart community demonstration projects ***program*** would-- (A) demonstrate smart community technologies that can be adapted and repeated by other rural communities; (B) encourage public, private, local, or regional best practices that can be replicated by other rural communities; (C) encourage private sector innovation and investment in rural communities; (D) promote a skilled workforce; and (E) promote standards that allow for the measurement and validation of the cost savings and performance improvements associated with the installation and use of smart community technologies and practices. (k) Rural Smart Community Resource Guide.-- (1) In general.--The Council shall create, publish, and maintain a resource guide designed to assist States and other rural communities in developing and implementing rural smart community ***programs***. (2) Inclusions.--A resource guide under paragraph (1) may include-- (A) a compilation of existing related Federal and non- Federal ***programs*** available to rural communities, including technical assistance, education, training, research and development, analysis, and funding; (B) available examples of local rural communities engaging private sector entities to implement smart community solutions, including public-private partnership models that could be used to leverage private sector funding to solve similar local challenges; (C) available examples of proven methods for local rural communities to facilitate integration of smart technologies with new and existing infrastructure and systems; (D) best practices and lessons learned from demonstration projects, including return on investment and performance information to help other rural communities decide how to initiate integration of smart technologies; and (E) such other topics as are requested by industry entities or local governments or determined to be necessary by the Council. (3) Utilization of existing guides.--In creating, publishing, and maintaining the guide under paragraph (1), the Council shall consider Federal, State, and local guides already published relating to smart community goals, activities, and best practices-- (A) to prevent duplication of efforts by the Federal Government; and (B) to leverage existing complementary efforts. (4) Resource guide outreach.--The Council shall conduct outreach to States, counties, communities, and other relevant entities-- (A) to provide interested stakeholders with the guide published under paragraph (1); [[Page S4769]] (B) to promote the consideration of smart community technologies and encourage States and local governments to contribute rural smart community ***program*** and activity information to the guide published under paragraph (1); (C) to identify-- (i) barriers to rural smart community technology adoption; and (ii) any research, development, and assistance that is needed that could be included in the guide published under paragraph (1); (D) to respond to requests for assistance, advice, or consultation from rural communities; and (E) for other purposes, as identified by the Council. (5) Subsequent resource guides.--The Council shall issue an update to the guide published under paragraph (1) every 5 ***years***. (l) Rural Broadband Integration Working Group.-- (1) Findings.--Congress makes the following findings: (A) Access to high-speed broadband is no longer a luxury and is a important for United States families, businesses, and consumers. (B) Affordable, reliable access to high-speed broadband is critical to United States economic growth and competitiveness. (C) High-speed broadband enables the people of the United States to use the Internet in new ways, expands access to health services and education, increases the productivity of businesses, and drives innovation throughout the digital ecosystem. (D) The private sector and Federal, State, and local governments have made substantial investments to expand broadband access in the United States, but more must be done to improve the availability and quality of high-speed broadband, particularly in areas lacking competitive choices. (E) Today, more than 50,000,000 people of the United States cannot purchase a wired broadband connection at speeds for adequate broadband service, and only 29 percent of people of the United States can choose from more than 1 service provider at that speed. (F) As a result of the statistics described in subparagraph (E), the costs, benefits, and availability of high-speed broadband Internet are not evenly distributed, with considerable variation among States and between urban and rural areas. (G) The Federal Government has an important role to play in developing coordinated policies to promote broadband deployment and adoption, including promoting best practices, breaking down regulatory barriers, and encouraging further investment, which will help deliver higher quality, lower cost broadband to more families, businesses, and communities and allow communities to benefit fully from those investments. (2) Policy.-- (A) In general.--It is the policy of the Federal Government for executive departments and agencies having statutory authorities applicable to broadband deployment (referred to in this subsection as the ``agencies'') to use all available and appropriate authorities-- (i) to identify and address regulatory barriers that may unduly impede either wired broadband deployment or the infrastructure to augment wireless broadband deployment; (ii) to encourage further investment in broadband networks and services; (iii) to promote the adoption and meaningful use of broadband technology; and (iv) to otherwise encourage or support broadband deployment, competition, and adoption in ways that promote the public interest. (B) Priorities.--In carrying out the policy under subparagraph (A), the agencies shall focus on-- (i) opportunities to promote broadband adoption and competition through incentives to new entrants in the market for broadband services; (ii) modernizing regulations; (iii) accurately measuring real-time broadband availability and speeds; (iv) increasing broadband access for underserved communities, including in rural areas; (v) exploring opportunities to reduce costs for potential low-income users; and (vi) other possible measures, including supporting State, local, and Tribal governments interested in encouraging or investing in high-speed broadband networks. (C) Effect.--In carrying out the policy under subparagraph (A), the agencies shall ensure that existing and planned Federal, State, local, and Tribal government missions and capabilities for delivering services to the public, including those missions and capabilities relating to national security, public safety, and emergency response, are maintained. (D) Coordination.--The agencies shall coordinate the policy under subparagraph (A) through the Rural Broadband Integration Working Group established under paragraph (3). (3) Establishment of rural broadband integration working group.-- (A) In general.--There is established the Rural Broadband Integration Working Group (referred to in this subsection as the ``Working Group''). (B) Membership.--The membership of the Working Group shall be composed of the heads, or their designees, of-- (i) the Department of ***Agriculture***; (ii) the Department of Commerce; (iii) the Department of Defense; (iv) the Department of State; (v) the Department of the Interior; (vi) the Department of Labor; (vii) the Department of Health and Human Services; (viii) the Department of Homeland Security; (ix) the Department of Housing and Urban Development; (x) the Department of Justice; (xi) the Department of Transportation; (xii) the Department of the Treasury; (xiii) the Department of Energy; (xiv) the Department of Education; (xv) the Department of Veterans Affairs; (xvi) the Environmental Protection Agency; (xvii) the General Services Administration; (xviii) the Small Business Administration; (xix) the Institute of Museum and Library Services; (xx) the National Science Foundation; (xxi) the Council on Environmental Quality; (xxii) the Office of Science and Technology Policy; (xxiii) the Office of Management and Budget; (xxiv) the Council of Economic Advisers; (xxv) the Domestic Policy Council; (xxvi) the National Economic Council; and (xxvii) such other Federal agencies or entities as are determined appropriate in accordance with subparagraph (E). (C) Co-chairs.--The Secretary and the Secretary of Commerce shall serve as the Co-Chairs of the Working Group. (D) Consultation; coordination.-- (i) Consultation.--The Working Group shall consult, as appropriate, with other relevant agencies, including the Federal Communications Commission. (ii) Coordination.--The Working Group shall coordinate with existing Federal working groups and committees involved with broadband. (E) Membership changes.-- (i) In general.--The Director of the National Economic Council and the Director of the Office of Science and Technology Policy shall review, on a periodic basis, the membership of the Working Group to ensure that the Working Group-- (I) includes necessary Federal Government entities; and (II) is an effective mechanism for coordinating among agencies on the policy described in paragraph (2). (ii) Changes.--The Director of the National Economic Council and the Director of the Office of Science and Technology Policy may add or remove members of the Council, as appropriate, based on the review under clause (i). (4) Functions of the working group.-- (A) Consultation.--As permitted by law, the members of the Working Group shall consult with State, local, Tribal, and territorial governments, telecommunications companies, utilities, trade associations, philanthropic entities, policy experts, and other interested parties to identify and assess regulatory barriers described in paragraphs (1)(G) and (2)(A)(i) and opportunities described in clauses (i) and (v) of paragraph (2)(B) to determine possible actions relating to those barriers and opportunities. (B) Point of contact.--Not later than 15 days after the date of enactment of this Act, each member of the Working Group shall-- (i) designate a representative to serve as the main point of contact for matters relating to the Working Group; and (ii) notify the Co-Chairs of the Working Group of that designee. (C) Survey.-- (i) In general.--Not later than 60 days after the date of enactment of this Act, the members of the Working Group shall submit to the Working Group a comprehensive survey of-- (I) Federal ***programs***, including the allocated funding amounts, that currently support or could reasonably be modified to support broadband deployment and adoption; and (II) all agency-specific policies and rules with the direct or indirect effect of facilitating or regulating investment in or deployment of wired and wireless broadband networks. (D) List of actions.--Not later than 120 days after the date of enactment of this Act, the members of the Working Group shall submit to the Working Group an initial list of actions that each of the agencies could take to identify and address regulatory barriers, incentivize investment, promote best practices, align funding decisions, and otherwise support wired broadband deployment and adoption. (E) Report.-- (i) In general.--Not later than 150 days after the date of enactment of this Act, after not fewer than 2 meetings of the full Working Group, the Working Group shall submit to the President, acting through the Director of the National Economic Council, a coordinated, agreed-to, and prioritized list of recommendations of the Working Group on actions that agencies can take to support broadband deployment and adoption. (ii) Inclusions.--The recommendations under clause (i) shall include-- (I) a list of priority actions and rulemakings; and (II) timelines to complete the priority actions and rulemakings under subclause (I). (m) General Provisions.-- (1) Effect.--Nothing in this section-- [[Page S4770]] (A) impairs or otherwise affects-- (i) the authority granted by law to a department or agency, or the head thereof; (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals; or (iii) the authority of the Federal Communications Commission concerning spectrum allocation decisions; (B) requires the disclosure of classified information, law enforcement sensitive information, or other information that shall be protected in the interests of national security; or (C) creates any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, any Federal department, agency, or entity, any officer, employee, or agent, of the United States, or any other person. (2) Implementation.--This section shall be implemented consistent with applicable law and subject to the availability of appropriations. \_\_\_\_\_\_ SA 3389. Mr. ROBERTS (for Mr. Durbin (for himself, Ms. Baldwin, and Ms. Stabenow)) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: At the end of subtitle F of title XII, add the following: SEC. \_\_. REAUTHORIZATION OF RURAL EMERGENCY MEDICAL SERVICES TRAINING AND EQUIPMENT ASSISTANCE ***PROGRAM***. (a) Short Title.--This section may be cited as the ``Supporting and Improving Rural EMS Needs Act of 2018'' or the ``SIREN Act of 2018''. (b) Amendments.--Section 330J of the Public Health Service Act (42 U.S.C 254c-15) is amended-- (1) in subsection (a), by striking ``in rural areas'' and inserting ``in rural areas or to residents of rural areas''; (2) by striking subsections (b) through (f) and inserting the following: ``(b) Eligibility; Application.--To be eligible to receive grant under this section, an entity shall-- ``(1) be-- ``(A) an emergency medical services agency operated by a local or tribal government (including fire-based and non-fire based); or ``(B) an emergency medical services agency that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; and ``(2) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. ``(c) Use of Funds.--An entity-- ``(1) shall use amounts received through a grant under subsection (a) to-- ``(A) train emergency medical services personnel as appropriate to obtain and maintain licenses and certifications relevant to service in an emergency medical services agency described in subsection (b)(1); ``(B) conduct courses that qualify graduates to serve in an emergency medical services agency described in subsection (b)(1) in accordance with State and local requirements; ``(C) fund specific training to meet Federal or State licensing or certification requirements; and ``(D) acquire emergency medical services equipment; and ``(2) may use amounts received through a grant under subsection (a) to-- ``(A) recruit and retain emergency medical services personnel, which may include volunteer personnel; ``(B) develop new ways to educate emergency health care providers through the use of technology-enhanced educational methods; or ``(C) acquire personal protective equipment for emergency medical services personnel as required by the Occupational Safety and Health Administration. ``(d) Grant Amounts.--Each grant awarded under this section shall be in an amount not to exceed $200,000 . ``(e) Definitions.--In this section: ``(1) The term `emergency medical services'-- ``(A) means resources used by a public or private nonprofit licensed entity to deliver medical care outside of a medical facility under emergency conditions that occur as a result of the condition of the patient; and ``(B) includes services delivered (either on a compensated or volunteer basis) by an emergency medical services provider or other provider that is licensed or certified by the State involved as an emergency medical technician, a paramedic, or an equivalent professional (as determined by the State). ``(2) The term `rural area' means-- ``(A) a nonmetropolitan statistical area; ``(B) an area designated as a rural area by any law or regulation of a State; or ``(C) a rural census tract of a metropolitan statistical area (as determined under the most recent rural urban commuting area code as set forth by the Office of Management and Budget). ``(f) Matching Requirement.--The Secretary may not award a grant under this section to an entity unless the entity agrees that the entity will make available (directly or through contributions from other public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to 25 percent of the amount received under the grant.''; and (3) in subsection (g)(1), by striking ``2002 through 2006'' and inserting ``2019 through 2023''. \_\_\_\_\_\_ SA 3390. Mr. ROBERTS (for Mrs. Gillibrand (for herself and Mr. Toomey)) proposed an amendment to amendment SA 3224 proposed by Mr. Roberts (for himself and Ms. Stabenow) to the bill H.R 2, to provide for the reform and continuation of ***agricultural*** and other ***programs*** of the Department of ***Agriculture*** through fiscal ***year*** 2023, and for other purposes; as follows: At the end of subtitle E of title XII, add the following: SEC. 125\_\_. PROHIBITION ON SLAUGHTER OF DOGS AND CATS FOR HUMAN CONSUMPTION. (a) In General.--Except as provided in subsection (c), no person may-- (1) knowingly slaughter a dog or cat for human consumption; or (2) knowingly ship, transport, move, deliver, receive, possess, purchase, sell, or donate-- (A) a dog or cat to be slaughtered for human consumption; or (B) a dog or cat part for human consumption. (b) Scope.--Subsection (a) shall apply only with respect to conduct-- (1) in interstate commerce or foreign commerce; or (2) within the special maritime and territorial jurisdiction of the United States. (c) Exception for Indian Tribes.--The prohibition in subsection (a) shall not apply to an Indian (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C 5304)) carrying out any activity described in subsection (a) for the purpose of a religious ceremony. (d) Penalty.--Any person who violates subsection (a) shall be subject to a fine in an amount not greater than $5,000 for each violation. (e) Effect on State Law.--Nothing in this section-- (1) limits any State or local law or regulation protecting the welfare of animals; or (2) prevents a State or unit of local government from adopting and enforcing an animal welfare law or regulation that is more stringent than this section. \_\_\_\_\_\_ SA 3391. Mr. McCONNELL proposed an amendment to the bill S. 724, to amend the Federal Power Act to modernize authorizations for necessary hydropower approvals; as follows: At the end, add the following: (c) Obligation for ***Payment*** of Annual Charges.--Any obligation of a licensee or exemptee for the ***payment*** of annual charges under section 10(e) of the Federal Power Act (16 U.S.C 803(e)) for a project that has not commenced construction as of the date of enactment of this Act shall commence not earlier than the latest of-- (1) the date by which the licensee or exemptee is required to commence construction; or (2) the date of any extension of the deadline under paragraph (1). \_\_\_\_\_\_ SA 3392. Mr. McCONNELL (for Mr. Udall) proposed an amendment to the bill H.R 1029, to amend the Federal Insecticide, Fungicide, and Rodenticide Act to improve pesticide registration and other activities under the Act, to extend and modify fee authorities, and for other purposes; as follows: On page 1, line 6, strike ``2017'' and insert ``2018''. On page 2, line 12, strike ``2018 through 2020'' and insert ``2019 through 2023''. On page 2, line 17, strike ``2018 through 2020'' and insert ``2019 through 2023''. On page 2, line 21, strike ``2018 through 2020'' and insert ``2019 through 2023''. On page 3, line 5, strike ``2018 through 2020'' and insert ``2019 through 2023''. On page 3, lines 9 and 10, strike ``2018 through 2020'' and insert ``2019 through 2023''. On page 3, line 23, strike ``2017'' and insert ``2018''. On page 3, line 24, strike ``2022'' and insert ``2025''. On page 7, line 21, strike ``2017'' and insert ``2018''. On page 12, strike lines 23 and 24 and insert the following: (A) in subparagraph (A)-- (i) by striking ``pesticide registration''; and (ii) by striking ``October 1, 2013, and ending on September 30, 2015'' and inserting ``October 1, 2019, and ending on September 30, 2021''; (B) in subparagraph (B)-- (i) by striking ``pesticide registration''; and (ii) by striking ``2015'' each place it appears and inserting ``2021''; and On page 13, line 1, strike ``(B)'' and insert ``(C)''. On page 21, line 11, strike ``2021'' and insert ``2024''. [[Page S4771]] On page 21, line 12, strike ``2021'' and insert ``2024''. On page 21, line 19, strike ``2022'' and insert ``2025''. On page 21, line 20, strike ``2022'' and insert ``2025''. On page 22, line 2, strike ``2022'' and insert ``2025''. On page 22, line 3, strike ``2022'' and insert ``2025''. On page 186, strike lines 1 through 3 and insert the following: SEC. 7. EXTENSION. Notwithstanding any other provision of this Act or amendment made by this Act, any reference in this Act or an amendment made by this Act to ``2020'' shall be deemed to be a reference to ``2023''. SEC. 8. ***AGRICULTURAL*** WORKER PROTECTION STANDARD; CERTIFICATION OF PESTICIDE APPLICATORS. (a) In General.--Except as provided in subsection (b), during the period beginning on the date of enactment of this Act and ending not earlier than October 1, 2021, the Administrator of the Environmental Protection Agency (referred to in this section as the ``Administrator'')-- (1) shall carry out-- (A) the final rule of the Administrator entitled ``Pesticides; ***Agricultural*** Worker Protection Standard Revisions'' (80 Fed. Reg. 67496 (November 2, 2015)); and (B) the final rule of the Administrator entitled ``Pesticides; Certification of Pesticide Applicators'' (82 Fed. Reg. 952 (January 4, 2017)); and (2) shall not revise or develop revisions to the rules described in subparagraphs (A) and (B) of paragraph (1). (b) Exceptions.--Prior to October 1, 2021, the Administrator may propose, and after a notice and public comment period of not less than 90 days, promulgate revisions to the final rule described in subsection (a)(1)(A) addressing application exclusion zones under part 170 of title 40, Code of Federal Regulations, consistent with the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C 136 et seq.). (c) GAO Report.--The Comptroller General of the United States shall-- (1) conduct a study on the use of the designated representative, including the effect of that use on the availability of pesticide application and hazard information and worker health and safety; and (2) not later than October 1, 2021, make publically available a report describing the study under paragraph (1), including any recommendations to prevent the misuse of pesticide application and hazard information, if that misuse is identified.

**Load-Date:** June 30, 2018

**End of Document**



[***Mnuchin And Mulvaney Release Joint Statement On Budget Results For Fiscal Year 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TH9-3YP1-JDG9-Y097-00000-00&context=1516831)

Impact News Service

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**Body**

Washington :  U.S Department of the Treasury has issued the following news release:

 U.S Treasury Secretary Steven T. Mnuchin and Office of Management and Budget (OMB) Director Mick Mulvaney today released details of the fiscal ***year*** (FY) 2018 final budget results. The deficit in FY 2018 was $779 billion, $113 billion more than in the prior fiscal ***year*** but $70 billion less than forecast in the FY 2019 Mid-Session Review (MSR). As a percentage of Gross Domestic Product (GDP), the deficit was 3.9 percent, 0.4 percentage point higher than the previous ***year***.[1]

President Trump continues to foster incredible economic strength that stands in stark contrast with the policies of the previous administration. The Tax Cuts and Jobs Act (TCJA), coupled with a renewed focus on economic freedom, has led to a booming economy:

    America is enjoying the longest positive job-growth streak on record – more than four million new jobs have been created since President Trump took office.     For the first time on record there are more job openings than job seekers.

    Real wage compensation has grown by 1.4 percent. Real median household income rose by 1.8 percent.     Manufacturing employment is growing at its fastest annual pace since 1995. Since the enactment of the TCJA, business fixed investment has increased at an 8.3 percent annual rate, up from 1.8 percent during the four quarters of 2016.       Consumer confidence is at peak levels and, during the past four quarters, real GDP has grown 2.9 percent, the fastest four-quarter pace since the second quarter of 2015.

It is clear that Americans are better off today than they were two ***years*** ago. The President’s emphasis on increasing economic growth has put more money in the pockets of hard-working Americans. The President’s Budget has provided multiple avenues for Congress to tackle reckless Washington spending with aggressive proposals that reduced deficits by $3.6 trillion over 10 ***years***. Additionally, the President proposed the largest rescissions package in the history of the Impoundment Control Act of 1974, requesting Congress to rescind more than $15 billion in unnecessary spending. The Administration will work with Members of Congress on a renewed focus to reduce the deficit and get our fiscal house back in order.

“President Trump prioritized making a significant investment in America’s military after ***years*** of reductions in military spending undermined our preparedness and national security,” said Treasury Secretary Steven T. Mnuchin. “Going forward the President’s economic policies that have stimulated strong economic growth, combined with proposals to cut wasteful spending, will lead America toward a sustainable financial path.”

“The President is very much aware of the realities presented by our national debt. America’s booming economy will create increased government revenues – an important step toward long-term fiscal sustainability. But this fiscal picture is a blunt warning to Congress of the dire consequences of irresponsible and unnecessary spending,” said OMB Director Mulvaney. “The President’s FY 2019 Budget presented a clear roadmap to solving this fiscal nightmare that has been exacerbated by Congress’s continual unwillingness to restrain spending. Going forward, President Trump and this Administration will continue to work with Congress to make the difficult choices needed to bring fiscal restraint, which, when matched with increasing revenue, will reduce our deficit.”

Summary of Fiscal ***Year*** 2018 Budget Results

***Year***-end data from the September 2018 Monthly Treasury Statement of Receipts and Outlays of the United States Government show that the deficit for FY 2018 was $779 billion, $113 billion higher than the prior ***year***'s deficit. As a percentage of GDP, the deficit was 3.9 percent, an increase from 3.5 percent in FY 2017 and above the average of 3.2 percent over the last 40 ***years***.

The FY 2018 deficit was $54 billion less than the estimate of $833 billion in the FY 2019 Budget (Budget), and $70 billion less than the estimate of $849 billion[2] in the MSR, a supplemental update to the Budget published in July.

Table 1. Total Receipts, Outlays, and Deficit (in billions of dollars)

Receipts

Outlays

Deficit

FY 2017 Actual

3,315

3,981

-666

    Percentage of GDP

17.2%

20.7%

3.5%

FY 2018 Estimates:

    2019 Budget

3,340

4,173

-833

    2019 Mid-Session Review

3,322

4,171

-849

FY 2018 Actual

3,329

4,108

-779

    Percentage of GDP

16.5%

20.3%

3.9%

Note: Detail may not add to totals due to rounding.

Note: Detail may not add to totals due to rounding.

Government receipts totaled $3,329 billion in FY 2018. This was $14 billion higher than in FY 2017, an increase of 0.4 percent, below expectations from the Budget, but $6.8 billion above the MSR estimate. As a percentage of GDP, receipts equaled 16.5 percent, 0.7 percentage point lower than in FY 2017 and 0.9 percentage point below the average over the last 40 ***years***. The nominal increase in receipts for FY 2018 can be attributed primarily to higher net individual income tax receipts, excise taxes, social insurance and retirement receipts, and customs duties, partially offset by lower net corporation income tax receipts, deposits of earnings by the Federal Reserve, and other miscellaneous receipts.

Outlays grew in FY 2018, but by less than expected in the Budget and the MSR, and decreased slightly as a percentage of GDP from last ***year***. Outlays were $4,108 billion, $127 billion above those in FY 2017, a 3.2 percent increase. As a percentage of GDP, outlays were 20.3 percent, 0.4 percentage point lower than in the prior ***year***, and 0.3 percentage point lower than the 40-***year*** average of 20.6 percent. Contributing to the dollar increase over FY 2017 were higher outlays for Defense, Medicaid, Social Security, disaster relief and flood insurance, Refundable Premium Tax Credits and cost sharing reductions, interest on the public debt, and lower government sponsored enterprises (GSE) receipts, which are an offset to outlays.

Total Federal borrowing from the public increased by $1,084 billion during FY 2018 to $15,751 billion. The increase in borrowing included $779 billion in borrowing to finance the deficit, as well as $305 billion in borrowing related to other transactions such as changes in cash balances and net disbursements for Federal credit ***programs***. As a percentage of GDP, borrowing from the public grew from 76.1 percent of GDP at the end of FY 2017 to 78.0 percent of GDP at the end of FY 2018.

Below are explanations of the differences between estimates in the MSR and the ***year***-end actual amounts for receipts and agency outlays.

Fiscal ***Year*** 2018 Receipts

Total receipts for FY 2018 were $3,328.7 billion, $6.8 billion higher than the MSR estimate of $3,321.9 billion. This increase in receipts was the net effect of higher-than-estimated collections of customs duties, excise taxes, estate and gift taxes, corporation income taxes, and other miscellaneous receipts, partially offset by lower-than-estimated collections of individual income tax receipts, deposits of earnings by the Federal Reserve, and social insurance and retirement receipts.  Table 2 displays actual receipts and estimates from the Budget and the MSR by source.

    Individual income taxes were $1,683.5 billion, $1.9 billion lower than the MSR estimate.  This decrease was the net effect of lower withheld ***payments*** of individual income tax liability of $6.0 billion, higher nonwithheld ***payments*** of $4.4 billion, and higher-than-estimated refunds of $0.3 billion.          Corporation income taxes were $204.7 billion, $0.5 billion above the MSR estimate.  This difference was the net effect of higher-than-expected ***payments*** of 2018 corporation income tax liability of $5.3 billion and higher-than-estimated refunds of $4.8 billion.              Social insurance and retirement receipts were $1,170.7 billion, $0.1 billion lower than the MSR estimate.     Excise taxes were $95.0 billion, $2.9 billion above the MSR estimate.         Estate and gift taxes were $23.0 billion, $0.5 billion above the MSR estimate.          Customs duties were $41.3 billion, $3.1 billion above the MSR estimate.       Miscellaneous receipts were $110.5 billion, $1.9 billion above the MSR estimate.  This was the net effect of higher-than-expected collections of various fees, penalties, forfeitures, and fines of $3.1 billion, in large part due to a settlement under the Financial Institutions Reform, Recovery, and Enforcement Act, partially offset by lower-than-expected deposits of earnings by the Federal Reserve System of $1.2 billion.

 Fiscal ***Year*** 2018 Outlays

Total outlays were $4,107.7 billion for FY 2018, $63.3 billion below the MSR estimate. Table 3 displays actual outlays by agency and major ***program*** as well as estimates from the Budget and the MSR. The largest changes in outlays from the MSR were in the following areas:

Department of ***Agriculture*** — Outlays for the Department of ***Agriculture*** were $136.7 billion, $4.2 billion lower than the MSR estimate.

Outlays in the Supplemental Nutrition Assistance ***Program*** (SNAP) were $2.4 billion lower than estimated in MSR due to declining participation. In July 2018, SNAP served 38.9 million people, two million fewer than July 2017, and three million fewer than projected.  Outlays of the Farm Service Agency were $1.3 billion lower than estimated in the MSR. This difference was due in part to slower-than-anticipated disbursements for the Emergency Conservation ***Program*** ($218 million). In addition, slightly higher prices for some commodities and less demand for Marketing Assistance Loans combined result in lower-than-expected expenditures by the Commodity Credit Corporation (nearly $1 billion).  Outlays for the Office of the Secretary were $750 million lower than anticipated due to slower disbursements of disaster assistance than anticipated for the Wildfires and Hurricanes Indemnity ***Program***.

Department of Defense — Outlays for the Department of Defense were $600.7 billion, $8.1 billion (1.4 percent) higher than the MSR estimate.  This difference is mostly due to higher-than-expected disbursements for Department-wide aircraft and other Air Force procurement contracts ($5.0 billion), outlays for Army military personnel ($2.5 billion), disbursements for revolving and management funds ($1.5 billion), and disbursements for research, development, test and evaluation contracts ($1.2 billion).  These differences were partially offset by lower-than-expected outlays for operation and maintenance contracts ($1.1 billion) and for military construction contracts ($0.8 billion), as well as higher-than-anticipated receipts.

Department of Energy — Outlays for the Department of Energy were $26.5 billion, $2.0 billion lower than the MSR estimate.   Almost half ($0.9 billion) is attributable to lower-than-expected outlays for the Defense Environmental Cleanup ***program*** due, in part, to delayed congressional action on FY 2018 appropriations.  Outlays for the Office of Fossil Energy were $0.4 billion lower than the MSR estimate, primarily due to unpaid obligations in the total amount of $0.7 billion for the Coal Carbon Capture and Storage and Power Systems line.  The Office of Science’s outlays were $0.2 billion lower than the MSR estimate.  Delayed congressional action on FY 2018 appropriations also generally contributed to lower-than-expected outlays for a number of other Department ***programs***.

Department of Health and Human Services — Outlays for the Department of Health and Human Services were $1,120.5 billion, $31.1 billion lower than the MSR estimate.

Outlays for Medicaid were $10.2 billion, or 2.5 percent, lower than the MSR estimate. The difference was primarily the result of lower-than-anticipated benefits spending during the second half of the ***year***.

Outlays for Medicare Part A were $4.5 billion, or 1.5 percent lower than the MSR estimate due in part to lower utilization of inpatient hospital services among Medicare beneficiaries, consistent with recent trends. Federal contributions to Medicare Part B were $1.3 billion, or 0.5 percent higher than the MSR estimate due to higher utilization of outpatient services. ***Payments*** to the Health Care Trust Funds (PTF) were $2.0 billion higher than the MSR estimate, which is primarily due to higher than expected Part D benefits ***payments***.

Actual outlays for other health ***programs*** were $16.2 billion lower than what was projected in MSR. $9.1 billion of this difference is due to the absence of an appropriation for Cost-Sharing Reductions, and $3.6 billion of the difference is due to delays in collections and ***payments*** for the Risk Adjustment ***program***.

Department of Homeland Security — Outlays for the Department of Homeland Security were $68.4 billion, $9.7 billion lower than the MSR estimate.

Approximately $3 billion of the difference is due to FEMA’s National Flood Insurance ***Program*** (NFIP).  Actual flood insurance claims for 2018 were significantly less than expected.  In addition, the number of NFIP policyholders increased as a result of the 2017 hurricanes and targeted marketing, which led to lower net outlays because of the increased revenue from policyholders.  FEMA also overestimated the amount needed from the Disaster Relief Fund for Hurricanes Harvey, Irma, and Maria by approximately $1 billion in the MSR.  In addition, FEMA assumed more Community Disaster Loans would be provided to communities impacted by the 2017 hurricanes than materialized.  For Immigration and Customs Enforcement, ***year***-end actual outlays were $7.1 billion, five percent higher than the prior ***year***, but because of a technical error in the MSR estimate of outlays, $1.4 billion lower than the MSR estimate. Outlays were also lower across many other ***programs*** due to delayed action on FY 2018 appropriations.

Department of the Interior — Outlays for the Department of the Interior (DOI) were $13.2 billion, $1.2 billion lower than the MSR estimate.

Interior’s Bureau of Land Management received unusually large receipt deposits (nearly $1 billion) in September from higher-than-anticipated bids during onshore oil and gas lease sales held in early September, combined with significant sales of Federal helium in the same month.  Due to the timing of these sales, the spending associated with such collections (e.g , state revenue sharing ***payments***) was not fully realized prior to the end of the fiscal ***year***.  Once those transactions are fully processed, DOI will ***transfer*** the receipts into the associated onshore mineral receipt and expenditure accounts and the spending will occur in FY 2019 instead of FY 2018.

Department of Justice — Outlays for the Department of Justice were $34.5 billion, $2.5 billion lower than the MSR estimate.

This difference is primarily due to ***payments*** from the Assets Forfeiture ***Program*** being $992 million less than estimated in the MSR. Also contributing to the overall difference was the Crime Victims Fund, which was $699 million less than estimated in MSR. Outlays were $475 million lower than the MSR for ***programs*** within the Office of Justice ***Programs*** partially due to pending litigation. Outlays were also lower across many other ***programs*** due to delayed action on FY 2018 appropriations.

Department of State — Outlays for the Department of State were $26.4 billion, $2.4 billion lower than the MSR estimate.

This difference is largely due to changes in the billing cycle for United Nations peacekeeping missions due to upcoming negotiations on assessment rate changes as well as lower outlays for humanitarian assistance, global health ***programs***, and international narcotics control and law enforcement assistance ***programs*** due to later-than-expected appropriations action and time needed to develop financial plans.

Department of the Treasury — Outlays for the Department of the Treasury were $629.4 billion, $5.4 billion higher than the MSR estimate.

The increase was attributable primarily to lower-than-expected receipts of interest from nonbudgetary credit financing accounts, higher interest on the public debt and higher outlays for the Refundable Premium Tax Credit.  These amounts were somewhat offset by lower outlays for interest paid to nonbudgetary credit financing accounts and higher-than-expected dividend receipts from the government-sponsored enterprises (GSEs).

Interest on the public debt, which is paid to the public and to trust funds and other Government accounts, was $3.4 billion higher than the MSR estimate.  The difference was due primarily to higher-than-projected interest paid to Government accounts, particularly interest paid to the Military Retirement Fund.  Intragovernmental interest paid to Government accounts has no net impact on total Federal Government outlays.

Net outlays for intragovernmental interest transactions with non-budgetary credit financing accounts were $3.5 billion higher than projected, including $2.9 billion in lower-than-projected interest paid to credit financing accounts and $6.4 billion in lower-than-anticipated receipts of interest from credit financing accounts. (Interest received from credit financing accounts is reported in Treasury’s aggregate offsetting receipts.)

The Patient Protection and Affordable Care Act’s Premium Tax Credits were $3.1 billion higher than projected in MSR. This is primarily due to higher subsidized enrollment in the Health Insurance Exchanges than previously expected.

Dividend ***payments*** from the GSEs on the Senior Preferred Stock Purchase Agreements were $2.8 billion higher than projected, reducing net outlays relative to the MSR.

Corps of Engineers — Outlays for the Corps of Engineers were $5.1 billion, $2.3 billion lower than the MSR estimate.

The majority of the difference is attributable to higher-than-anticipated receipts and the delay in execution of construction contracts due to the late enactment of final FY 2018 appropriations and the unanticipated impacts and resulting work associated with response to three major hurricanes, including the enactment of $17.4 billion in disaster supplemental appropriations in the Bipartisan Budget Act of 2018.

International Assistance ***Programs*** — Outlays for International Assistance ***Programs*** were $21.6 billion, $1.0 billion lower than the MSR estimate. This difference is largely due to net outlays for Department of State Foreign Military Financing grants that were $1.2 billion lower than projected due to later-than-expected appropriations action combined with the time required to meet congressional pre-obligation requirements.  In addition, lower than estimated outlays for Department of State and U.S Agency for International Development economic, security, and development assistance accounts were lower largely due to later-than-expected appropriations action.  These lower outlays were largely offset by lower-than-anticipated receipts for Foreign Military Sales to foreign governments.

Federal Deposit Insurance Corporation — Net outlays for the Federal Deposit Insurance Corporation (FDIC) were -$15.9 billion, $4.0 billion lower than the MSR estimate. The difference was primarily attributable to changes in the Deposit Insurance Fund (DIF), including higher interest receipts on securities in the DIF portfolio, higher-than-expected recoveries, and lower-than-expected ***payments*** related to the FDIC’s resolution of failed insured depository institutions.

United States Postal Service — Net outlays for the United States Postal Service were -$1.4 billion, $1.6 billion lower than the MSR estimate due largely to higher-than-expected receipts and lower expenses for capital and non-operating costs.

Railroad Retirement Board — Outlays for the Railroad Retirement Board were $5.8 billion, $1.3 billion lower than the MSR estimate, due largely to the National Railroad Retirement Investment Trust’s unrealized gains and losses on investments. Actual returns to the Trust were much higher than projected in the MSR due to favorable market conditions in the last few months of FY 2018.  Additionally, the Social Security Equivalent Benefit account has carryover balances that will not be spent.

Tennessee Valley Authority — Outlays for the Tennessee Valley Authority (TVA) were -$1.7 billion, $1.4 billion lower than the MSR estimate.  The $1.4 billion difference from the MSR was the result of higher-than-expected revenues due to favorable weather, cost reductions from continued productivity savings, changes in capital spending, and lower effective interest rates on TVA's debt which collectively helped the agency reduce its debt in FY 2018.

Undistributed Offsetting Receipts — Undistributed Offsetting Receipts were -$248.0 billion, $4.0 billion lower than the MSR estimate.  Interest received by trust funds was $3.6 billion lower than the MSR estimate (higher net collections).  The difference was due largely to the interest earnings of the Military Retirement Fund, which were $3.1 billion higher than the MSR estimate.  This intragovernmental interest is paid out of the Department of the Treasury account for interest on the public debt and has no net impact on total Federal Government outlays.

Table 2 - Receipts by source

Table 3 - Outlays by agency

[1] The estimates of GDP used in the calculations of the deficit and borrowing relative to GDP reflect the revisions to historical data released by the Bureau of Economic Analysis (BEA) in July 2018. GDP for FY 2018 is based on the economic forecast for the President’s 2019 Budget, adjusted for the BEA revisions.

[2] The MSR also included a deficit projection of $890 billion which included an adjustment to standardize benefit ***payments*** across fiscal ***years***. When October 1 falls on a weekend, certain mandatory benefit ***payments*** are accelerated to the previous business day and, as a result, certain fiscal ***years*** can have 11 or 13 benefit ***payments*** rather than 12 ***payments***. FY 2018 had 11 benefit ***payments***. For the comparison to actual outlays, this document uses the unadjusted deficit figures in the Budget and MSR.

**Load-Date:** October 31, 2018

**End of Document**



[***Register of Commission documents: Report from the Commission to the Council and the European Parliament Twelfth Annual Report 2017 on the implementation of Community assistance under Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community Document date: 2018-06-22 COM\_COM(2018)0487 COM documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S1P-1D91-JDG9-Y4FD-00000-00&context=1516831)

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EN EN EUROPEAN COMMISSION Brussels, 22.6.2018 COM(2018) 487 final REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT Twelfth Annual Report 2017 on the implementation of Community assistance under Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community 1 REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT Twelfth Annual Report 2017 on the implementation of Community assistance under Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community 1. INTRODUCTION Council Regulation (EC) No 389/20061 (the 'Aid Regulation') is the basis for the provision of assistance to the Turkish Cypriot community (TCc) and requires annual reporting to the Council and the European Parliament. This report covers the ***year*** 2017. 2. ***PROGRAMMING*** OF THE ASSISTANCE Between 2006 and the end of 2017, EUR 485 million was ***programmed*** for operations under the Aid Regulation. The amount committed in December 2017 for the 2017 annual ***programme*** was EUR 34,836,2402. The Multiannual Financial Framework (MFF) 2014-20 provides a multi-annual perspective to the ***programme*** with a provision for stable, annual funding. The assistance ***programme*** is, however, temporary in nature, aiming to facilitate the reunification of Cyprus, and both the Aid Regulation and Council Regulation No 1311/2133 laying down the MFF, allow for a revision in case of reunification.

3. IMPLEMENTATION MECHANISMS The ***programme*** is implemented in the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control and where the application of the acquis is temporarily suspended pursuant to Protocol 10 of the Treaty of Accession. Assistance is implemented primarily through direct management by the European Commission, but some projects are indirectly managed by the United Nations Development ***Programme*** (UNDP), the European Bank for Reconstruction and Development (EBRD) or the British Council. The Commission operates in a unique political, legal and diplomatic context. Ad hoc arrangements are needed to implement the ***programme*** while respecting the principles of sound financial management. In EU-funded aid ***programmes***, in normal circumstances, agreements with a beneficiary government would establish the legal framework for development assistance. No such agreements can be made for the assistance to the TCc. Management and mitigation of the inherent risk is part of the Commission's responsibility and measures adopted include intensive monitoring of contracts and provision of support to beneficiaries, revised ***payment*** conditions and a careful approach to the use of bank guarantees. The assistance includes a significant amount of grant support, requiring resource-intensive management. To ensure successful and sustainable implementation in this environment, the TCc must fully engage in the preparation for the acquis roll-out following settlement. 1 OJ L65, 7.3.2006, p.5 2 Commission Decision C(2016) 6688. 3 OJ L347, 2.12.2013, p.884 2 The ***Programme*** Team operates through the EU ***Programme*** Support Office (EUPSO) in the northern part of Nicosia. The Representation of the Commission in Cyprus also hosts meetings, seminars and press conferences and communicates with the Cypriot public throughout the island, including on the Aid ***Programme***. In addition, the EU Infopoint, funded under the Aid ***Programme***, carries out a range of communication and visibility actions, providing information about EU policies, priorities and actions in support of the TCc, and promoting European culture. 4. IMPLEMENTATION DURING THE REPORTING PERIOD 4.1 General overview The Commission continues to implement the Aid Regulation with the overall aim of supporting reunification. The Commission stands ready to adapt the ***programme*** as a result of any agreements reached in the settlement talks. Operations in 2017 included the continuation of a number of established and successful projects, such as EU scholarships and confidence building measures in support to the Committee on Missing Persons (CMP) and to the Technical Committee on Cultural Heritage (TCCH). Assistance provided to key economic sectors preparing for a settlement was reinforced through projects for the development of the private sector and rural areas as well as human resources development. Efforts towards tangible improvements in the area of animal diseases eradication and food safety continued. Considerable gaps in the capacity of the beneficiaries to effectively implement the acquis still exist and the adoption of many legal texts remains pending. However, the TCc has a firmer understanding of the challenges linked with the implementation of legal texts aligned with EU standards. Grant support remains an essential element of the ***programme***. For the scholarship ***programme***, the Commission continued to make recourse to outsourcing, to help ensure that grants reach the beneficiaries in a timely and efficient manner. In addition, since 2008, a Project Management Unit (PMU) set up through a technical assistance service contract has been providing services to support the implementation of grant schemes. This PMU continues to offer valuable help to the Commission in terms of increased efficiency and assurance in the operational management, implementation, and monitoring of grant schemes. One continuing issue has been the construction of the Famagusta sewage network, the contract for which was terminated in December 2013 by the Commission. The dispute with the former contractor has been brought to arbitration as all options for an amical settlement had been exhausted. In parallel, the related repair works will be tendered in 2018. At the end of the ***year***, 274 contracts were overall running under the ***Programme***. 4.2 Progress by objectives The overall objective of the Aid ***Programme*** is to facilitate the reunification of Cyprus by encouraging the economic development of the TCc, with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the acquis. 3 The activities undertaken in 2017 with respect to each of the objectives of the Aid Regulation were: 4.2.1 Objective 1: Developing and restructuring of infrastructure In the water sector, the design and the tender dossier for the construction of a new trunk sewer to convey waste water of Nicosia to the bi-communal waste water treatment plant (WWTP) in Nicosia have been finalised. Launch of the Works tender is foreseen in early 2018. The feasibility study and conceptual design of the distribution system for the treated sewage effluent of the bi-communal WWTP have been well advanced and are under final approval. The final detailed design and associated tender dossier for this important bi-communal project are expected within 2018. The tender dossier for the necessary remedial works to the Famagusta sewage networks was drafted and the Works tender is to be launched in early 2018. Preparatory activities were initiated for the first phase of the decommissioning of the old Nicosia WWTP and for setting up of a bicycle-walking path along the Pedieos River. Assistance in the solid waste sector continued through different actions. Two contracts – Extension to the Koutsoventsis/Güngör landfill and Landfill Degassing Plant – were signed in December 2017. The Works are due to be finalised by December 2018. 2017 also saw the completion of the design and implementation of a Solid Waste Management Database having as its basis the European Solid Waste Catalogue. This is currently being trialled by the responsible environmental bodies, it however already being hailed as a success. After several delays, the installation of a new sterilisation facility for treatment of hazardous medical waste has been put back on track and due to be finalised by mid-2018. This project was further bolstered through a technical capacity project involving the design and implementation of a sustainable Medical Waste Management System. The tender for setting up a collection, transport and central-treatment system for animal by-products that are most dangerous for human and animal health was launched for the second time, but no valid offers were received. Following an optimisation of the tender dossier, the project will be re-tendered in early 2018. Finally, solid waste management was also addressed in grant schemes supporting civil society and local communities. These involve the setting up of solid waste ***transfer*** stations and green waste management according to a coherent EU developed Integrated Solid Waste Management Plan. Also, projects to enhance the monitoring systems for air and water quality have been approved in 2017 and technical specifications have been drafted. Tendering is expected in mid-2018. A contract for Technical Assistance for the Implementation of a Traffic Safety ***Programme*** was finalised. A roadmap for implementation of driving license issue, vehicle registration and vehicle technical inspection has been prepared and requires further assistance and support from the beneficiary in order to implement the roadmap and improve traffic safety. 4 4.2.2 Objective 2: Promoting social and economic development The Technical Assistance to the Private Sector (TAPS) project, launched in November 2015, was extended to September 2018. This project aims at promoting private sector growth and job creation. It provides technical assistance to local bodies to prepare for the application of the acquis in areas linked with the development of the private sector. The support takes the form of analytical studies and preparation of strategies, including for example the finalisation of the Small and Medium Enterprises Strategy and Action Plan. It also assists Micro and Small-Sized Enterprises (MSMEs) to prepare for the acquis by supporting Business Support Organisations that reinforce their organisational and service provision capacity. A guidance note on the viability of an innovation strategy in line with Horizon 2020 and the concept of SMART growth was developed by an external expert under a single contract in early 2017. In addition, the Delegation Agreement with the EBRD to grant Turkish Cypriot companies access to credit funds and to provide capacity building support to local business consultants was extended with an additional EUR 0.8 million. Businesses are also supported directly through grants. All the remaining grants directly awarded to businesses under the SME Development: Modernising Products and Services grant scheme were finalised in 2017. Overall, 36 projects have been successfully implemented under this scheme. In the field of rural development, technical assistance was provided to develop farm advisory services, including the training of local advisors. Out of the 39 projects awarded in 2013 under the 3rd Rural Development grant scheme, a further 6 were successfully completed in 2017. In 2017, the technical assistance project to support preparation and implementation of animal diseases (AD) eradication (initiated in mid-2015) continued to build the capacities of the veterinary services to plan and implement AD surveillance and eradication ***programmes*** and to strengthen the system for animal identification and registration. The assistance also helped continuous improvement of the performance and the quality of outputs of the veterinary laboratory. In 2016/2017, the first ever large scale testing of animals to establish the status of priority AD (such as brucellosis and tuberculosis) was implemented in the northern part of Cyprus. The purpose and long term benefits of the elimination of important diseases in food producing animals have been widely communicated to the local farmers. This improved farmers' awareness and ensured their support to the elimination of important AD in the area. Under a project to develop metrology capacity in the TCc, training was provided on analytical techniques relating to the EU requirements for food safety standards. TCc capacities to implement animal health and food safety ***programmes*** were further strengthened through the award of four supply contracts, totalling EUR 0.5 million, to provide equipment and consumables for veterinary and food safety laboratories. Five grant contracts totalling EUR 3 million were awarded under the 4th call for proposals for Community Development. Four projects focus on improving the efficiency and quality of local community services such as waste management and environmental protection. One project aims at establishing a centre for assistance to victims of domestic violence. 5 In the education sector, the implementation of 15 grants that were awarded in 2016 under the EUR 1.5 million grant scheme for Innovation and Change in Education VI continued in 2017. Out of the 15 projects, 9 are being implemented by schools and 6 by lifelong-learning organisations. The projects mainly focus on enhancing teaching/learning capacities in the schools with introducing extra-curricular and soft skills ***programmes*** as well as establishing science labs and a green-house for organic farming. On the other hand, the life-long learning projects focus on improving professional capacities of architects and engineers and introduce entrepreneurship and life-long training courses to improve the employability of youth. A new EUR 1.5 million grant scheme for Innovation and Change in Education VII launched in the first half of 2016 covers the same objectives as the previous call for proposals. The evaluation of project proposals is ongoing. The second technical assistance project for Vocational Education, Training and Labour Market (VETLAM II), launched in November 2015 continued its activities. During 2017, the technical assistance mainly focused on a review and update of the qualifications framework, development of vocational schools strategy, development of active labour market measures for 3 selected disadvantaged groups (youth, women and people with disabilities) and capacity building for employment services. The assessment procedures for work-based learning and apprenticeship ***programmes*** as well as a local pool of assessors were also developed. The project is planned to end in November 2018. Building on the results of previous analytical work, the second phase of the economic monitoring ***programme*** conducted by the World Bank provided additional in-depth analysis and technical assistance in important areas. The ***programme*** focused on fiscal analysis, financially sustainable public administration bodies, economic, trade-related effects of reunification, private-sector development and social inclusion, and macroeconomic monitoring. In line with the political priorities in the framework of the Aid ***Programme***, an additional envelope of EUR 4.8 million was contracted in 2017 for the continuation of the engagement of the World Bank to build on the analytical and advisory work done so far and to continue providing advice and targeted support to the TCc until December 2020. 4.2.3 Objective 3: Fostering reconciliation, confidence building measures, and support to civil society The Committee on Missing Persons (CMP), supported by the Aid ***Programme*** through an indirect management arrangement with UNDP, continued its field and laboratory work. By the end of 2017, out of the 2002 total missing persons, the CMP had exhumed 1194 sets of remains, out of which 831 were genetically identified and returned to their families. In December 2017, the Delegation Agreement with UNDP was extended to provide funding for the operations of the CMP for the ***year*** 2018, for an amount of EUR 2.6 million. Overall, in the period 2006-2018 the EU contributed with a total of EUR 22 million which amounts to 80% of the overall funding provided to the CMP. With the passing of time, it is increasingly difficult to obtain precise information to determine the location of the burial sites. This is a key challenge to be addressed now by renewed efforts in researching civil and military archives, as well as with a stronger use of IT tools in order to facilitate the investigation, excavation and exhumation phases. 6 To this end, a billboard campaign was put up in both communities in December 2017 in order to encourage them to come forward with any information they may have. The CMP members also directly conducted research on UN archives in New York in May 2017. Cultural Heritage protection through the bi-communal Technical Committee on Cultural Heritage (TCCH) remained a key component of the reconciliation and confidence building actions supported under the Aid ***Programme***. Between 2011 and 2017, the Cultural Heritage ***programme*** has received EUR 14.7 million of EU funds which are being used to improve the protection of 71 cultural heritage sites across the island. These include 5 large scale projects, 30 medium size projects, 26 small scale projects and 10 projects in design phase. During 2017, the main achievements were the completion of the conservation works for the Monastery of Agios Panteleimonas in May as well as for the Martinengo Bastion and for a section of the walls of Famagusta in September. Also in 2017, works were finalised for the conservation of Agia Marina/Gurpinar, a Maronite church located within a military site. Steps are being taken to ensure adequate maintenance and caretaking of restored sites by the beneficiary communities. In response to an initiative of the two Cypriot leaders for new confidence building measures, the Commission acted swiftly in 2015 to reallocate the necessary resources for the opening of the new crossing points at Deryneia and Lefka-Apliki. A Delegation Agreement with UNDP was signed in early 2016 for works north of the Green Line, which were finalised in 2017. At the request of the Republic of Cyprus, in 2017 the Commission and the UNDP signed an addendum to the Delegation Agreement for the works of the sections within the Buffer Zone. These works are expected to be completed in 2018. Support for civil society continued in 2017. Technical assistance (Civic Space) providing capacity building for Civil Society Organisations (CSOs) and stimulating networking and joint actions with Greek Cypriot and other EU CSOs continued in 2017. Efforts concentrated initially on creating an enabling environment for the development of Civil Society and encouraging active citizenship initiatives through the 'Grow Civic' mechanism. In addition, 18 contracts awarded under the Civil Society in Action IV and V grant schemes were running in 2017. They funded a variety of actions in the fields of environment, human rights, art and sport that encourage citizens' engagement and cross-community exchanges. The 6th call for proposals of the Civil Society in Action grant scheme has been launched in mid-2017 providing new opportunities for CSOs to reinforce their capacity, actions and cooperation, and make a change for the benefit of all. The Civil Society Forum (CSF), a platform where CSOs can express their expectations and priorities, was convened every three months. It acted as a catalyst for advocacy and promoted active citizenship. A full month of CSO actions under the name of 'Open Door Festival' took place for the second time during the whole month of October, to inform the public of past and present activities and promote volunteerism among people of all ages. During the Festival, more than 60 associations, foundations, platforms, initiatives and activists opened their doors and took the road through the northern part of Cyprus to meet the public and network with other CSOs. 7 4.2.4 Objective 4: Bringing the TCc closer to the EU The management of scholarships to the EU was delegated to the British Council for the academic ***years*** 2014-16. This arrangement was extended for a further three ***years*** through a Delegation Agreement signed with the British Council in December 2016, covering the academic ***years*** 2017-20. The EUR 1.92 million available under the 2017 call allowed funding 152 scholarships for the 2017/2018 academic ***year***. These scholarships support students during the first ***year*** of undergraduate studies, graduate students in their masters or doctoral ***programmes***, and researchers and professionals in further developing their language and professional skills across EU Member States through language courses or internship ***programmes***. The Scholarship ***Programme*** has ensured access to scholarships to more than 1000 Turkish Cypriot students and professionals since 2007. Continuity of this scheme is considered vital and increased efforts will be put on targeting the needs and gaps within the TCc. As part of the activities to manage the Scholarship ***Programme***, the British Council organises every ***year*** the 'Study in Europe' day to provide information to students about study possibilities in the EU. An online alumni network is being developed in the last ***years*** in order to enhance the contacts and professional relations between the Scholarship alumni. The British Council is continuously monitoring medium-term impact, for example the return rate of students to Cyprus and success in finding employment. The high demand for information on the EU in the TCc continued in 2017. The EU Infopoint, which is managed together with the Representation of the European Commission in Cyprus, started functioning in early 2015 with a total budget of EUR 1,545,000 for a 30-month period; the project was extended in July 2017 until January 2020 with a total budget of EUR 3 million. It generated a high level of visibility for the EU, its policies and the Aid ***Programme***. Until now, the EU Infopoint held various panels/events on various topics, including environment (water, energy, waste management including recycling, biodiversity, beach cleaning, and Green Week), organic ***agriculture***, health & safety at work, food safety, animal welfare, and animal health. It has also covered topics such as human rights, rights of people with disabilities, children’s rights, gender equality, LGBTQ rights, and consumers' rights. In 2017, the EU Infopoint organised 49 events (of which 28 in Nicosia) including Europe Day, European Week against Racism, European Youth Week & International Youth Day, European Night of Researchers, EU Anti-Trafficking Day, Mobility Week and Traffic Safety, European Week of Sport, and European SMEs Week. These events attracted over 4,849 participants, showing increased interest from the community (4,382 participants at 2016 events and 2,383 participants at 2015 events). During 2017, 2,255 information products and 10 newsletters were distributed (in total since the opening of the Infopoint, 13,684 and 30 respectively). 343 news articles and 33 TV spots appeared on the local media during 2017 (1,266 and 115, respectively, since inception of the project). Traffic on the Facebook page 'Abbilgi' also confirmed the popularity of the activities (4,052 new 'likes' in 2017, bringing the total number of likes since its opening to 12,523). The EU Infopoint supported also the promotion of all Calls for Proposals and other Aid ***Programme***-funded projects and events via Facebook posts/reminders, front-shop poster displays, hosting of events and project launches at its public space. It established strategic partnerships with other EU-funded projects and technical assistance projects such as Civil Society development (Civic Space), Private Sector Development, Animal Disease Eradication, Waste Management, as well as with relevant departments and Civil Society Organisations in the TCc. 8 4.2.5 Objectives 5-6: Preparing the Turkish Cypriot community to introduce and implement the acquis The Commission's Technical Assistance and Information Exchange (TAIEX) instrument is used to implement objectives 5 and 6 of the Aid Regulation and thus helps prepare the TCc for implementation of the acquis in view of the withdrawal of its suspension upon the entry into force of a comprehensive settlement of the Cyprus problem. Assistance continued in 2017 and new experts were selected in 17 main areas, or 'sectors', of the acquis. In total, the number of events organised in 2017 was 118. TAIEX actions included inter alia expert missions, workshops and study visits. TCc stakeholders demonstrated a significantly heightened awareness of acquis requirements in the active TAIEX sectors. Support for trade across the Green Line (Regulation 866/2004) continued. The independent experts were involved in 2017 in carrying out the regular phytosanitary inspections of potatoes and citrus products, taking honey samples for analysis and producing an updated list of vessels whose catch can be traded across the Green Line. 4.3 Financial execution (contracts and ***payments***) 4.3.1 Contracting The Commission signed legal commitments in 2017 amounting to EUR 23.2 million. The total volume increased compared to the previous ***year*** (EUR 15.5 million in 2016). 4.3.2 ***Payments*** ***Payments*** in 2017 were EUR 17.2 million (EUR 21.4 million in 2016). 4.4 Monitoring The Commission has direct responsibility for implementation of most projects (direct management). The level of monitoring by Commission staff is very high, with constant contacts with contractors, 'spot-check' visits as well as site meetings and steering committees meetings. The PMU continued to support the Commission with the monitoring implementation of grant contracts/projects awarded to local communities for their development, to SMEs and rural enterprises, to Civil Society Organisations, to schools and vocational education and training organisations, while also supporting grant beneficiaries in the application of EU rules for grant contract implementation, including for secondary procurement. In addition, the Commission implements a number of contracts under indirect management mode. The implementing entities such as the UNDP, the EBRD, and the British Council are pillar assessed and report to the Commission in accordance with the respective Framework Agreements. The Commission is closely involved in the day-to-day monitoring of these actions. For TAIEX, a new planning period was launched, which will include regular Project Steering Group meetings to take stock, evaluate progress and continue planning. TAIEX logistics are monitored through the on-line TAIEX Management System. 9 4.5 Audit and controls In 2017, the Internal Audit Service (IAS) carried out an audit on the financial management of the Structural Reform Support Service (SRSS), including the financial management of the Aid ***Programme***. The objective of the audit encompassed, amongst others, the adequacy of the design and the effective implementation of the internal control system for financial management (legality and regularity and efficiency of the financial workflow). The IAS identified some weaknesses in the internal control environment put in place in the procurement procedures, which are being addressed through implementation of an action plan in response to IAS recommendations. 4.6 Evaluation Significant improvement in statistics within the TCc will be necessary to accompany the future acquis roll-out. An ex-post evaluation of SME grant schemes was conducted by the PMU and informed the design of the new call for proposals that will be launched in 2018. A similar ex-post evaluation of rural development grant schemes was initiated and the results are expected in 2018. 4.7 Information, Publicity and Visibility Overall, there were 120 visibility and communication actions in 2017, a large number of them organised in cooperation with the Representation of the European Commission in Cyprus. Some of the highlights in 2017 were: presentations on 'The Juncker Commission: Two ***Years*** on Working for a Better Europe that Protects, Empowers and Defends' in various cities, Open Door Festival, sharing information on the work of the CSOs in 4 cities (Nicosia, Famagusta, Galateia, Lefka), and the European Science and Fun Day, in which more than 500 high-school students participated. Europe Day was celebrated with 2 large-scale outdoor events in Nicosia and Famagusta with more than 700 participants. Many public events on the EU Scholarships for the TCc ensured extensive outreach Completion ceremonies of various Cultural Heritage projects, including Martinengo Bastion and the Walls and Archangelos Michael Church, were held. The Entrepreneurship Ecosystem/Marketplace event brought together many participants to learn more about EU support in the TCc. EU support in the area of Traffic Safety was also communicated during various events with school children, families and the general public. 4.8 Consultations with the Government of the Republic of Cyprus Meetings were held with representatives of the Government of the Republic of Cyprus, in particular when senior Commission officials visited the island. The Commission continues to rely on the Government's cooperation for verification of property rights, and also meets regularly with the Permanent Representation in Brussels. 5. CONCLUSIONS The Commission continues to deliver assistance under the Aid Regulation to facilitate the reunification of Cyprus by encouraging the economic development of the TCc, through work under its six objectives. During 2017, assistance continued to focus on areas that present particular problems with future acquis compliance. 10 In view of the capacity constraints, limited human and financial resources and gaps in readiness for the future acquis roll-out, the sustainability of projects must be carefully considered. The track record of past assistance and the maturity of projects will be continuously reflected in future ***programming*** exercises. Efforts will focus on bringing more impact in priority areas through fewer but larger actions. The Commission stands ready to deploy resources, including under the Aid ***Programme***, to support settlement negotiations under UN auspices as needed.

**Load-Date:** August 1, 2018

**End of Document**



[***-IMF Staff Concludes Visit to Kenya***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SYX-RB31-JD3Y-Y0GN-00000-00&context=1516831)

ENP Newswire

August 6, 2018 Monday

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**Length:** 886 words

**Body**

IMF Staff Concludes Visit to Kenya.

End-of-Mission press releases include statements of IMF staff teams that convey preliminary findings after a visit to a country.

The views expressed in this statement are those of the IMF staff and do not necessarily represent the views of the IMF's Executive Board. Based on the preliminary findings of this mission, staff will prepare a report that, subject to management approval, will be presented to the IMF's Executive Board for discussion and decision

Kenya's economy has continued to perform well, with real GDP growth accelerating to 5.7 percent in the first quarter of 2018, from 4.9 percent in 2017.

Growth is being driven by strengthened confidence following the conclusion of the prolonged election period, favorable weather conditions, and a continued recovery in tourism.

Discussions focused on macroeconomic policies and structural reforms aiming to ensure the sustainability of investment-driven, inclusive growth.

A team from the International Monetary Fund (IMF), led by Benedict Clements, visited Kenya from July 23 to August 2, 2018 to hold discussions on the second review under a precautionary Stand-By Arrangement (SBA).

On March 14, 2016, the Executive Board of the International Monetary Fund (IMF) approved a SDR 709.259 million (about US$ 989.8 million, or 131 percent of Kenya's quota) 24-month Stand-By Arrangement (SBA). The first review of the SBA was completed on January 25, 2017 (see Press Release 17/23). On March 12, 2018, the Executive Board of the International Monetary Fund approved the Kenyan authorities' request for a 6-month extension of the SBA to September 14, 2018 to allow additional time to complete the outstanding reviews (See Press Release 18/85).

At the end of the visit, Mr. Clements released the following statement:

'Kenya's economy has continued to perform well, with real GDP growth accelerating to 5.7 percent in the first quarter of 2018, from 4.9 percent in 2017. The acceleration of growth is being driven primarily by strengthened confidence following the conclusion of the prolonged election period, favorable weather conditions, and a continued recovery in tourism. Inflation has remained within the authorities' target range (5+/-2.5 percent) since July 2017 as better weather conditions have brought down food inflation. Headline CPI growth was 4.3 percent y/y as of June 2018, while core inflation remained low at 3.6 percent y/y.

'Fiscal targets for FY2017/18 under the ***program*** were met. The budget deficit for the fiscal ***year*** ending in June 2018 was KSh614.6 billion (equivalent to 7.0 percent of GDP), within the target under the ***program***. This represents a significant tightening from the previous ***year***'s deficit of 9.0 percent of GDP. However, revenues significantly underperformed, coming in 2.2 percent of GDP lower than ***program*** targets. To meet the deficit target in this context, the authorities rationalized expenditures.

'The current account deficit has started to adjust in 2018 after widening to 6.7 percent of GDP in 2017 (from 5.2 percent in 2016). The increase in the current account deficit was mainly driven by higher food imports and weaker ***agricultural*** exports-due to the drought-and higher fuel imports, with the latter owing to rising global oil prices. The lower current account deficit so far in 2018 is due to strong ***agriculture*** exports, rising ***transfer*** inflows, and lower capital goods imports following the completion of the Mombasa-Nairobi phase of the SGR project. Reflecting these favorable external developments, the exchange rate has remained stable and foreign exchange reserves currently stand at about US$ 8.8 billion (equal to 5.1 months of projected imports for 2018) as of end-July 2018.

'The banking sector in aggregate remains well-capitalized and liquid. However, the banking system's non-performing loans remains high at 12 percent in June 2018, though declining in recent months. Higher non-performing loans have been driven by weaker economic activity in 2017, and delayed ***payments*** from the government and private sector.

'Discussions focused on (i) fiscal policies to achieve the authorities' fiscal deficit target of 5.7 percent of GDP in FY2018/19; (ii) interest rate controls; and (iii) structural reforms aiming to ensure the sustainability of investment-driven, inclusive growth. The authorities reiterated their commitment to macroeconomic policies that would maintain public debt on a sustainable path, contain inflation within the target range, and preserve external stability.

'Significant progress was made during the visit, and discussions will continue in the coming weeks. The team thanks the authorities for their hospitality and constructive discussions.'

The team met with the Cabinet Secretary for the National Treasury and Planning, Mr. Henry Rotich; the Governor of the CBK, Dr. Patrick Njoroge; the Principal Secretary for the National Treasury, Dr. Kamau Thugge; the Deputy Governor of the CBK, Ms. Sheila M'Mbijjewe, and senior government and CBK officials. Staff also had productive discussions with representatives of the private sector and development partners.

IMF Communications Department

MEDIA RELATIONS

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**Load-Date:** August 6, 2018

**End of Document**



[***Tanzania's special economic zones continue to attract regional investors***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4Y1-DXYV-7021-00000-00&context=1516831)

Oxford Business Group: Articles

June 2018

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**Length:** 668 words

**Body**

The government of Tanzania hopes to encourage industrialisation and investment in labour-intensive manufacturing through its export processing zone (EPZ) and special economic zone (SEZ) schemes, which were launched in 2002 and 2006, respectively. Managed by the Export Processing Zones Authority (EPZA), the EPZ scheme promotes investment in export-oriented manufacturing activities, while the SEZ ***programme*** is broader and more inclusive and promotes sector-specific investment with an emphasis on ***agriculture***, trade, tourism, mining and forestry.

Although SEZs offer a host of fiscal and non-fiscal incentives to prospective investors, SEZ development remains constrained by a number of structural and geographic challenges, making infrastructure and human resource development critical to future growth.

**Setting the Stage**

SEZ development has progressed steadily over the past 15 ***years***. In a 2016 study, "The Role and Effectiveness of SEZs in Tanzania", the UN University's World Institute for Development Economics Research (WIDER) reported that out of 140 registered companies operating in SEZs, 45% were local and 55% foreign, with SEZ employment standing at 44,227. With a major infrastructure development ***programme*** under way, 46% of investment comes from engineering ventures. Agro-processing was second with 43%, followed by mineral processing and meat processing, with 8% and 3%, respectively, according to WIDER. In August 2016 the government identified six new areas slated for SEZ development, including the Coast, Morogoro, Iringa, Njombe, Mbeya and Songwe Regions, while the country's Five-***Year*** Development Plan II 2016/17-2020/21 prioritises SEZ development in Bagamoyo, Mtwara, Kigoma, Tanga, Ruvuma, Dodoma and Manyoni, and the Kurasini Logistic Centre.

**Licences**

Both EPZ and SEZ investors are required to obtain a licence from the EPZA, which offers three categories: developers' licences for companies building new zones and supporting infrastructure, investors' licences for companies operating within an EPZ/SEZ, and non-core business licences for service providers.

Firms investing in EPZs must be launching new projects and at least 80% of goods produced therein must be exported, while annual export turnover should not be less than $500,000 for foreign investors and $100,000 for local investors. SEZ firms must be new investments, with a minimum paid-up capital of $100,000 for local investors and $500,000 for foreign investors. The investment project must also be located within a designated SEZ area.

**SEZ Benefits**

SEZ and EPZ investors benefit from incentives, including tax and duty exemptions for machinery, heavy-duty vehicles and any other capital goods, as well as a 10-***year*** corporate income tax holiday, a 10-***year*** withholding tax holiday, and remissions of Customs duties, value-added tax (VAT) and any other taxes on the importation of ambulances, fire-fighting equipment, up to two employee buses and one administrative vehicle. Export-oriented EPZs are also eligible for VAT exemptions on utility and wharfage charges, and unconditional transferability of net profits, loan services ***payments***, technology ***transfer*** royalties and fees, and proceeds of any sale or liquidation of the business. Worker documentation and licence inspections are also done on site, reducing transaction costs.

**SEZ Challenges**

For its SEZ study, WIDER reported that it originally hoped to sample 50 firms from a list of 147 operating in 14 SEZs, including one in Dar es Salaam. However, the institute noted that many firms on the list of 147 had not yet begun operations, had closed, or were only using their SEZ space for storage purposes. Companies that had ceased operations attributed the decision to prohibitively expensive export costs, conflicting export policies and a downturn in sales.

In the end WIDER was only able to survey 24 firms and 379 employees, reporting that lack of access to basic utilities and infrastructure continued to delay the opening of other companies it had planned to survey.

**Load-Date:** March 12, 2020

**End of Document**



[***Washington: AMS Reaches a Settlement with Roland Cook***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SW9-MRS1-JDG9-Y1KW-00000-00&context=1516831)

Impact News Service

July 24, 2018 Tuesday

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**Length:** 347 words

**Body**

Washington: United States Department of ***Agriculture*** Marketing Service has issued the following news release:

On June. 20, 2018, the United Stated Department of ***Agriculture*** (USDA) and Roland Cook doing business as RC Livestock (RC Livestock), Dallas, Wisconsin, settled a complaint filed against RC Livestock for suspected violations of the Packers and Stockyards (P&S) Act.  Terms of the settlement are set forth in a consent decision in which RC Livestock agreed to cease and desist from violating the P&S Act, and serve a suspension of three ***years*** beginning June 26, 2018.  The Consent Decision became final and effective on June 26, 2018.

The alleged violations that led to the complaint against RC Livestock were revealed in a USDA ***Agricultural*** Marketing Service (AMS) investigation that found RC Livestock failed to pay and failed to pay when due for livestock purchases from December 2016 through January 2017 on 25 occasions for $48,374.28   ***Payment*** for all livestock is due before the close the business day following the purchase and ***transfer*** of possession of the livestock.  Failure to pay when due is a violation of Section 409(a) of the P&S Act.

RC Livestock’s suspension is ordered for three ***years*** however, the consent decision provides that after 90 days, RC Livestock may seek employment by another registrant or packer during the suspension, subject to verification by AMS.  Once RC Livestock demonstrates all unpaid livestock sellers have been paid in full, and upon application to the Fair Trade Practices ***Program***, Packers and Stockyards Division, AMS will file a motion for a supplemental order lifting the registration suspension after one ***year***.

The P&S Act (7 U.S.C § 181, et seq.) authorizes the Secretary of ***Agriculture*** to assess civil penalties of not more than $11,000 per count against any person who violates the statute(s) cited above, after notice and opportunity for hearing on the record.

The P&S Act is a fair trade practice and ***payment*** protection law that promotes fair and competitive marketing environments for the livestock, meat and poultry industries.

**Load-Date:** July 25, 2018

**End of Document**



[***Pender-New Hanover County FSA Updates***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TH9-3YP1-JDG9-Y0CD-00000-00&context=1516831)

Impact News Service

October 15, 2018 Monday

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**Length:** 354 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

Pender-New Hanover County FSA Office 801 S. Walker St. Burgaw, NC 28425

Phone: 910-259-9123 Fax: 1-844-325-6843

County Committee Stuart Baucom, Chair Andrew Farrior, Vice Chair Charlotte Kelly, Member Lewis Boney, Advisor

County Executive Director: Emmett Rogers

District Director: Kevin Wooten, DD

Farm Loan Manager: Carlton Grady Kimberly Whaley, FLO

***Program*** Technicians: Veronica Bannerman, LPT Valerie Longfellow, PT Alex Sasser, PT

Next County Committee Meeting: November 7, 2018 at 9:00 am.

Don't forget to sign up to receive texts, text NCPender to FSANOW (372-669)      Tree Assistance ***Program*** (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during ***calendar*** ***year*** 2018 must submit a TAP application either 90 ***calendar*** days after the disaster event or the date when the loss is apparent. TAP was authorized by the ***Agricultural*** Act of 2014 as a permanent disaster ***program***. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster, plus an adjustment for normal mortality. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved.

The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP ***payments***, cannot exceed 500 acres annually.

**Load-Date:** October 31, 2018

**End of Document**



[***FEDERAL REGISTER: Summer Food Service Program 2018 Reimbursement Rates Pages 4025 - 4026 [FR DOC # 2018-01618]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RHT-6831-JDG9-Y2V7-00000-00&context=1516831)

Impact News Service

January 29, 2018 Monday

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**Length:** 1477 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Food and Nutrition Service Summer Food Service ***Program*** 2018 Reimbursement Rates AGENCY: Food and Nutrition Service, USDA. ACTION: Notice. ----------------------------------------------------------------------- SUMMARY: This notice informs the public of the annual adjustments to the reimbursement rates for meals served in the Summer Food Service ***Program*** for Children. These adjustments address changes in the Consumer Price Index, as required under the Richard B. Russell National School Lunch Act. The 2018 reimbursement rates are presented as a combined set of rates to highlight simplified cost accounting procedures.

The 2018 rates are also presented individually, as separate operating and administrative rates of reimbursement, to show the effect of the Consumer Price Index adjustment on each rate. DATES: January 1, 2018. FOR FURTHER INFORMATION CONTACT: Jessica Saracino, ***Program*** Monitoring and Operational Support Division, Child Nutrition ***Programs***, Food and Nutrition Service, United States Department of ***Agriculture***, 3101 Park Center Drive, Suite 628, Alexandria, Virginia 22302. SUPPLEMENTARY INFORMATION: The Summer Food Service ***Program*** (SFSP) is listed in the Catalog of Federal Domestic Assistance under No. 10.559 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR part 415 and final rule-related notice published at 48 FR 29114, June 24, 1983.) In accordance with the Paperwork Reduction Act of 1995, 44 U.S.C 3501-3520, no new recordkeeping or reporting requirements have been included that are subject to approval from the Office of Management and Budget. This notice is not a rule as defined by the Regulatory Flexibility Act, 5 U.S.C 601-612, and thus is exempt from the provisions of that Act. Additionally, this notice has been determined to be exempt from formal review by the Office of Management and Budget under Executive Order 12866. Definitions The terms used in this notice have the meaning ascribed to them under 7 CFR part 225 of the SFSP regulations. Background This notice informs the public of the annual adjustments to the reimbursement rates for meals served in SFSP. In accordance with sections 12(f) and 13, 42 U.S.C 1760(f) and 1761, of the Richard B. Russell National School Lunch Act (NSLA) and SFSP regulations under 7 CFR part 225, the United States Department of ***Agriculture*** announces the adjustments in SFSP ***payments*** for meals served to participating children during ***calendar*** ***year*** 2018. The 2018 reimbursement rates are presented as a combined set of rates to highlight simplified cost accounting procedures. Reimbursement is based solely on a ``meals times rate'' calculation, without comparison to actual or budgeted costs. Sponsors receive reimbursement that is determined by the number of reimbursable meals served, multiplied by the combined rates for food service operations and administration. However, the combined rate is based on separate operating and administrative rates of reimbursement, each of which is adjusted differently for inflation. Calculation of Rates The combined rates are constructed from individually authorized operating and administrative reimbursements. Simplified procedures provide flexibility, enabling sponsors to manage their reimbursements to pay for any allowable cost, regardless of the cost category. Sponsors remain responsible, however, for ensuring proper administration of the ***Program***, while providing the best possible nutrition benefit to children. The operating and administrative rates are calculated separately. However, the calculations of adjustments for both cost categories are based on the same set of changes in the Food Away From Home series of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor. They represent a 2.4 percent increase in this series for the 12-month period, from November 2016 through November 2017 (from 264.699 in November 2016 to 271.152 in November 2017). Table of 2018 Reimbursement Rates Presentation of the 2018 maximum per meal rates for meals served to children in SFSP combines the results from the calculations of operational and administrative ***payments***, which are further explained in this notice. The total amount of ***payments*** to State agencies for disbursement to SFSP sponsors will be based upon these adjusted combined rates and the number of meals of each type served. These adjusted rates will be in effect from January 1, 2018 through December 31, 2018. Summer Food Service ***Program*** 2018 Reimbursement Rates [Combined] -------------------------------------------------------------------------------------------------------------------------------------------------------- All states except Alaska and Alaska Hawaii Hawaii --------------------------------------------------------------- -------------------------------- Per meal rates in whole or fractions of U.S dollars All other Rural or self- All other Rural or self- All other Rural or self- types of prep sites types of prep sites types of prep sites sites sites sites -------------------------------------------------------------------------------------------------------------------------------------------------------- Breakfast............................................... 2.2325 2.1900 3.6275 3.5600 2.6175 2.5675 Lunch or Supper......................................... 3.9225 3.8575 6.3625 6.2600 4.5950 4.5200 Snack................................................... 0.9300 0.9100 1.5025 1.4700 1.0875 1.0625 -------------------------------------------------------------------------------------------------------------------------------------------------------- Operating Rates The portion of the SFSP rates for operating costs is based on ***payment*** amounts set in section 13(b)(1) of the NSLA, 42 U.S.C 1761(b)(1). They are rounded down to the nearest whole cent, as required by section 11(a)(3)(B)(iii) of the NSLA, 42 U.S.C 1759a(a)(3)(B)(iii). [[Page 4026]] Summer Food Service ***Program*** Operating Component of 2018 Reimbursement Rates ---------------------------------------------------------------------------------------------------------------- All states Operating rates in U.S dollars, rounded down to the nearest except Alaska Alaska Hawaii whole cent and Hawaii ---------------------------------------------------------------------------------------------------------------- Breakfast.................................................... 2.03 3.30 2.38 Lunch or Supper.............................................. 3.55 5.76 4.16 Snack........................................................ 0.83 1.34 0.97 ---------------------------------------------------------------------------------------------------------------- Administrative Rates The administrative cost component of the reimbursement is authorized under section 13(b)(3) of the NSLA, 42 U.S.C 1761(b)(3). Rates are higher for sponsors of sites located in rural areas and for ``self-prep'' sponsors that prepare their own meals at the SFSP site or at a central facility instead of purchasing them from vendors. The administrative portion of SFSP rates are adjusted, either up or down, to the nearest quarter-cent. Summer Food Service ***Program*** Administrative Component of 2018 Reimbursement Rates -------------------------------------------------------------------------------------------------------------------------------------------------------- All states except Alaska and Alaska Hawaii Hawaii --------------------------------------------------------------- Administrative rates in U.S dollars, adjusted, up or -------------------------------- down, to the nearest quarter-cent All other Rural or self- All other Rural or self- All other Rural or self- types of prep sites types of prep sites types of prep sites sites sites sites -------------------------------------------------------------------------------------------------------------------------------------------------------- Breakfast............................................... 0.2025 0.1600 0.3275 0.2600 0.2375 0.1875 Lunch or Supper......................................... 0.3725 0.3075 0.6025 0.5000 0.4350 0.3600 Snack................................................... 0.1000 0.0800 0.1625 0.1300 0.1175 0.0925 -------------------------------------------------------------------------------------------------------------------------------------------------------- Authority: Sections 9, 13, and 14, Richard B. Russell National School Lunch Act, 42 U.S.C 1758, 1761, and 1762a, respectively. Dated: January 8, 2018. Brandon Lipps, Administrator, Food and Nutrition Service. [FR Doc. 2018-01618 Filed 1-26-18; 8:45 am] BILLING CODE 3410-30-P

**Load-Date:** January 30, 2018

**End of Document**



[***Register of Commission documents: Contribution - German Bundesrat - Proposal for a Council regulation laying down implementing measures for the system of own resources of the European Union Document date: 2018-10-04 DE\_BUNDESRAT\_CONT1-COM(2018)0327 Contributions on documents from the Commission***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SM8-9781-F0YC-N0XX-00000-00&context=1516831)

Impact News Service

October 29, 2018 Monday

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**Length:** 12077 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Bundesrat Official Document 166/18 (Decision) (Grunddrucksachen 166/18, 167/18, 168/18, 169/18 und 245/18) 06.07.18 Distributed by Bundesanzeiger Verlag GmbH, Postfach 10 05 34, 50445 Cologne Phone +49 221 976683-40, Fax +49 221 976683-44, [*www.betrifft-gesetze.de*](http://www.betrifft-gesetze.de) ISSN 0720-2946 Decision of the Bundesrat Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Modern Budget for a Union that Protects, Empowers and Defends — The Multiannual Financial Framework for 2021 – 2027 COM(2018) 321 final Official Document: 166/18 in connection with Proposal for a Council regulation laying down the Multiannual Financial Framework for the ***years*** 2021 to 2027 COM(2018) 322 final Official Document: 167/18 in connection with Proposal for a Council decision on the system of own resources of the European Union COM(2018) 325 final; Council doc. 8357/18 Official Document: 168/18 and regarding 168/18 in connection with Proposal for a Council regulation laying down implementing measures for the system of own resources of the European Union Publication 166/18 (Decision) – 2 – COM(2018) 327 final; Council doc. 8359/18 Official Document: 169/18 and regarding 169/18 in connection with Proposal for a regulation of the European Parliament and of the Council on the protection of the Union’s budget in case of generalised deficiencies as regards the rule of law in the member states COM(2018) 324 final; Council doc.

8356/18 Official Document: 245/18 The German Bundesrat adopted the following Opinion in its 969th session on 6 July 2018 pursuant to §§ 3 and 5 of the Act on Cooperation between the Federal Government and the Federal States on Matters Pertaining to the European Union (EUZBLG): I. General Section Strategic focus 1. The Bundesrat considers the Commission’s proposal for the Multiannual Financial Framework (MFF) of the EU after 2020 to be a good starting point for the upcoming negotiations of the EU institutions. It welcomes the proposal’s close connection with the political priorities of the Union of 27. The Bundesrat supports the clear focus of the EU budget sought by the Commission on European added value as well as on results and efficiency. 2. Recognising that the MFF essentially sets the course for the future of the EU, the Bundesrat stresses the central importance of the European peace and integration project for Germany. It is convinced that the further consolidation and strengthening of a Union — from which the German federal states also benefit politically, economically, and socially in a number of ways — is in the common interest of the regions in Europe and of the federal states. However, several changes are needed in the interest of the regions. – 3 – Publication 166/18 (Resolution) 3. The Bundesrat acknowledges that the EU has to be adequately funded in view of its ever increasing importance and the many new challenges. This is the only way to avoid the EU’s key new tasks in areas like migration, security, energy and climate policy and digitalisation being put into competition with the EU’s traditional tasks in areas such as the Cohesion Policy and the Common ***Agricultural*** Policy (CAP). The structure proposed by the Commission for the MFF after 2020 reflects the many responsibilities of a future-proof EU and increases the transparency of the EU budget. The Bundesrat considers resolution of the MFF before the European elections in 2019 to be necessary. 4. In view of the reduced income as a result of Brexit and growing expenditures as a result of performing new tasks which create added value for Europe and its member states, the contributions of the member states will have to increase to a reasonable and moderate extent. The Bundesrat welcomes the willingness of the Federal Government to assume this responsibility, allowing Germany to send an important political signal in challenging European times. A stronger Europe is in Germany’s interest. 5. The Bundesrat also acknowledges that political priorities have to be realigned in view of the United Kingdom’s withdrawal and the related financial impact on the EU’s funds. The Bundesrat understands that the budget has to be aligned with the new political priorities. However, it is imperative from the Bundesrat’s point of view that the major socio- political challenges are also reflected, especially given the need for citizens to identify with the EU. Only then can the social aspect also be strengthened and the socio-political objectives set out in EU agreements also be achieved. 6. The Bundesrat appreciates the fact that the proposed framework is still committed to ensuring that all regions of the EU continue to remain eligible for funding. As proposed, the federal states should also have access to all funding ***programmes*** from now on. Increases in efficiency and simplifications should take precedence over cuts. For this reason, the Bundesrat expressly welcomes the increase in efficiency sought by the Commission for the funding ***programmes***. Significant simplifications, particularly in the application process and implementation of the ***programmes*** as well as for evidence of use, could reduce buPublication 166/18 (Decision) – 4 – reaucratic demands for all those involved while also freeing up considerable funds. Cutbacks in ***programme*** resources should only be a last resort. 7. In the opinion of the Bundesrat, the areas on which EU funding places emphasis are good: EU funding for innovation, research, science and digitalisation, for education and youth, for climate protection and resource conservation and for implementation of sustainable development objectives provide European added value which justifies a high spending in these areas. 8. However, in view of this prioritisation and the envisaged ***transfer*** of additional tasks, the Bundesrat does not consider the financial cutbacks in the EU Cohesion Policy to be conducive: the EU’s ERDF and ESF funds are already contributing substantially to the priorities of the EU in the current funding period, particularly to innovation and research, education and employment, to the reduction of CO2 and to social integration and inclusion. These funds have the distinct advantage of having a local impact in regions and communes. They make Europe and Europe’s priorities and objectives directly visible to the people. This also applies beyond the Cohesion Policy to the EAFRD. 9. The Bundesrat is also critical of the proposed CAP cuts, particularly in view of the disproportionately high cuts in the second pillar. The CAP plays an important role throughout the entire EU in the strategic priorities of the EU. This includes the objectives of an intelligent, sustainable, resource-conserving and competitive economy as well as growth, employment, and social cohesion. 10. It regrets that although gender equality is among the fundamental values of the EU and the EU has committed in Article 8 of the Treaty on the Functioning of the European Union (TFEU) to eliminate inequality in all its activities and to further gender equality, the furthering of gender equality is barely visible in its proposal for the MFF from 2021 to 2027 and that it is not mentioned as a priority. Given the major disparities between the genders that still exist and the major differences that still exist in this area between the individual member states, a stronger commitment from the EU is imperative. 11. The Bundesrat also regrets that the Commission did not present any figures when it presented the MFF package on 2 May 2018 that allow the proposed MFF for 2021 to 2027 to be compared with that for 2014 to 2020 after adjustment for inflation. This makes it difficult to comprehend and assess the changes – 5 – Publication 166/18 (Resolution) to the policy area allocations. 12. Specific aspects concerning individual policy areas and ***programmes*** that are also to be funded under the MFF will be commented on separately on the basis of the regulation proposals for these individual ***programmes***. Own resources reform 13. The Bundesrat recognises the Commission's efforts to simplify key elements of the EU’s existing funding system and to make it more transparent. It acknowledges the Commission’s proposal for an own resources reform. It recognises the Commission's efforts to highlight a contribution to the funding of the EU’s new tasks and to compensate for the United Kingdom’s withdrawal through new approaches on the income side of the EU budget. An own resources reform has also enjoyed continued support from the Bundesrat in order to create a transparent and fair system of own resources. 14. The Bundesrat shares the Commission’s view that the gross national income (GNI)-based own resources should continue to be at the centre of the EU budget’s income side. It reliably reflects the economic capacity of the member states, i.e : it is simple and fair; it can be flexibly adapted to the financial needs of the EU and can be fixed without any great administrative effort. As a result, it ensures steady funding of the EU budget. 15. The Bundesrat considers the Commission’s proposal regarding simplification of the VAT-based own resources to be a step in the right direction and supports its call to abolish the VAT-based own resources, particularly because it does not properly reflect the economic capacities in the member states and is complicated and administration-intensive to calculate (see BR Official Document 521/16 (Decision)). 16. It welcomes the Commission’s proposal to eliminate all member state-related discounts in order to ultimately achieve a transparent system in which the member contributions are comparable. The phasing-out solution proposed by the Commission over a period of five ***years*** is considered a fair solution. However, the Bundesrat refers again to its call to replace it with a generalised correction mechanism that benefits all exceptionally highly indebted member states thanks Publication 166/18 (Decision) – 6 – to its net contributions and that makes the special arrangements in favour of individual member states superfluous (see BR Official Document 521/16 (Decision), number 8). 17. The Bundesrat acknowledges the proposed reduction of the flat-rate collection costs from 20 per cent to 10 per cent, matched by the awarding of financial aid by the EU in specific cases for customs equipment, staff, and information. Simple award procedures should be found for granting financial support in individual cases. Flexibility and stability 18. The Bundesrat welcomes the fact that the term of the MFF and the EU funding ***programmes*** has been set for seven ***years*** again. However, it contradicts the Commission’s view that the transition to a five-***year*** funding period is essentially desirable and that it should be sought for the MFF after 2027. The Bundesrat refers in this matter to its concerns expressed in previous opinions (BR Official Document 521/16 (Decision) and BR Official Document 543/17 (Decision)). 19. The Bundesrat welcomes the Commission’s ambitious timeframe which provides for adoption of the MFF by early 2019. A smooth transition to the next funding period can only be guaranteed if an agreement is reached in good time. 20. It emphasises the need, in addition to establishing priorities in the funding ***programmes***, to be able to respond to current and future political challenges (such as refugee flows, changes in economic performance) and to be able to make funds available at short notice for new projects during the seven-***year*** funding period. 21. For this reason, the Bundesrat acknowledges that the need for increased flexibility within the financial framework has become clearer given the numerous challenges that the Union has been confronted with in previous ***years***. In particular, there needs to be sufficient financial leeway for rare crisis incidents. 22. In connection with this, it welcomes the proposal to increase the flexibility of the ***programmes*** and to adapt them after a mid-term review. However, it would like to point out that a compulsory mid-term review would require the ***programmes*** to start quickly. The mid-term review has to take the different prepa– 7 – Publication 166/18 (Resolution) ration periods for the various types of projects into account. The flexibility of the ***programmes*** should be increased in general and the regions should be granted more freedom to make changes to the ***programmes*** without any complicated award procedures. 23. Against this background, the Bundesrat considers the Commission’s proposal to redesign existing flexibility mechanisms worth discussing. However, it also reiterates its request that proposals for a higher level of flexibility are to be weighed up against the budget principles that apply to the EU budget which secure the budget powers of the EU institutions, and here in particular against the principle of speciality, and that the planning security for the resource recipients, especially in the case of multiannual EU ***programmes*** (see BR Official Document 521/16 (Decision) and BR Official Document 543/17 (Decision)), should not be called into question. 24. Against this background, the Bundesrat considers the proposals for increased flexibility in the individual ***programmes*** and between the ***programmes*** in the same section appropriate. The Bundesat also believes in the objective of better combination opportunities of various forms of financial aid. 25. Given the option to switch between different forms of resource management, the Bundesrat stresses that care must be taken to ensure that no disincentives are created for redistribution to the detriment of the citizen-centred shared management. In the case of proposals for adaptation of national allocations for half of the term of the ***programmes***, the principle of proportionality has to be taken into account, as do the justified interests of the regions and the member states in planning certainty. 26. The Bundesrat welcomes the Commission’s proposal to fully leverage the complete leeway for funds introduced in the financial framework for 2014 to 2020 for ***payments***. 27. It supports the proposal for an annual transferability of the new crisis reserve and also calls for access from now on for all federal states in the same manner that is not linked to prerequisites. Publication 166/18 (Decision) – 8 – 28. The proposals to form a Union reserve and to critically examine funding of it through greater flexibility when ***transferring*** resources for obligations from section to section and from ***year*** to ***year*** should, however, be critically examined bearing the above-mentioned principle of speciality in mind (section 23). 29. The Bundesrat is of the opinion that the EU Cohesion Policy ***programmes*** should be quickly implemented in order to trigger long-term, structural and innovative changes in the regions as swiftly as possible. It rejects the reintroduction of the “n+2” rule since it means strong administrative pressure for ***programme*** implementation, especially in the transition phase, and may lead to a decline in resources for the regions instead of quick implementation. 30. Instead, the Bundesrat is more in favour of retaining the “n+3” rule that has proven itself in the current funding period: if the currently applicable “n+3” rule is shortened, a ***transfer*** of resources that are no longer tied up from the European Structural and Investment funds (ESI funds) is only justifiable if a smooth transition to the next funding period is ensured this time and visible simplifications can also be implemented for the preparation and implementation of the ***programmes***. EU budget and rule of law 31. The Bundesrat shares the Commission’s view that bearing the rule of law in mind is an indispensable prerequisite for sound financial management and effective EU funding. It welcomes the Commission’s intention to protect the financial interests of the EU more effectively and in particular to intensify antifraud and anti-corruption efforts in the member states. 32. However in terms of the proposed regulation regarding “protection of the Union’s budget in the case of general deficits with regard to the Rule of Law” (BR Official Document 245/18), the Bundesrat again points out that the TEU and the TFEU lay down clear procedures for ascertaining breaches of EU law and for sanctioning them — including cutting EU resources. It still sees a risk that suspensions in the case of the ESI funds primarily affect the regional level, even if the sanctioned breaches fall under the general responsibility of the national level (see BR Official Document 543/17 (Decision)). As a result, the regulation proposal still needs to be explained and discussed. – 9 – Publication 166/18 (Resolution) 33. The Bundesrat also points out that the criteria for the proposed sanctions are not fixed in part and that the list of them is not exhaustive. It also points out that the suspension of ***programme*** approval proposed as a sanction may lead to considerable delays in implementation and may continue to have an effect even after the alleged breach has already been stopped, which is why the Bundesrat is in favour of these sanctions being reconsidered. Consideration of gender equality in the individual areas 34. Most of the ***programs*** financed with EU funds do not include any targeted measures to promote gender equality; there is an absence of gender-specific impact assessment. It is only in a few ***programmes*** that clear equality targets are fixed and earmarked resources are reported. Systematic implementation and monitoring of gender policy measures is not planned. II. Single Market, Innovation and Digital Research and innovation 35. The Bundesrat supports the Commission's efforts to strengthen the strategic research policy, innovative capacity and the European research field as well as incorporating excellence and subsidiarity as fundamental principles of European research funding. The Horizon 2020 ***programme*** plays an important role for many parties involved in Germany that enables them to continue their excellence and innovation in the future. 36. The Bundesrat welcomes the proposed structure geared towards continuity and further development under the Horizon Europe ***programme*** as well as its three newly designated and structured cornerstones. At the same time, it points out that strict separation of research and investment should be implemented in the respective ***programme*** sections. Against the background of expansion of the tasks in the newly added pillar III, the Bundesrat considers a significantly higher allocation of resources to Horizon Europe necessary. 37. The Bundesrat welcomes the Commission's plans to simplify the partnership system. It still recommends also supporting smaller association projects with fewer partners and lower project volumes, support that meets the demands of new technology, focus on innovation, and teaming and twinning projects as Publication 166/18 (Decision) – 10 – well as expanding the current SME instrument with simplified participation rules. 38. The Bundesrat considers small and medium-sized enterprises (SMEs) to be the backbone of innovation-driven economies. For this reason, it proposes increasing the involvement of SMEs in the Framework ***Programme*** to at least achieve the target of 20 per cent set in Horizon 2020. 39. Europe is a knowledge-based and research-strong society that is to become even more innovative. This has to be reflected in the EU’s budget too. Research and innovation must also be given top priority here to tackle economic, social and ecological challenges. This requires significantly more resources for research and innovation, even with a lower overall budget and should not just be reflected in the funding for the Framework ***Programme*** but should still also be reflected in the ESI funds. A subsequent reduction of resources during the term of the ***programme*** should not be repeated. 40. The Bundesrat therefore welcomes the proposed allocation of €97.6 billion for Horizon Europe. Nevertheless, it would also like to highlight that the “independent high-level group for maximisation of the impact of the EU ***programme*** for research and innovation” deployed by the Commission recommended in 2017 that the funds be doubled compared with Horizon 2020. 41. The Bundesrat recommends for the framework ***programme*** for research and innovation that from 2021 onward, the full potential of key technologies be leveraged with a dedicated, broad and fixed incorporation and that the administrative procedure applied for Horizon 2020 be simplified sustainably from now on. Due to the financial volume available, it encourages focusing on key European themes, funding the humanities and social sciences as a separate ***programme*** line and thus significantly increasing resources for European research funding. Furthermore, targeted strategic development of KET (key enabling technologies) is required to also safeguard Europe’s technological ability to compete in the long term too. The balance designed with a long-term focus between fundamental technology development and application development should not be abandoned. – 11 – Publication 166/18 (Resolution) 42. Furthermore, the Bundesrat points out that the common efforts of a coordinated industrial and research policy are necessary to ensure competitiveness and innovative capacity in international competition to attract businesses. 43. The Bundesrat welcomes the fact that planned defence research is not to be covered by Horizon Europe and refers in this context to its Opinion regarding a mid-term evaluation of Horizon 2020 (BR Official Document 5/18 (Decision)). 44. The Bundesrat also refers to this Opinion with regard to the further shaping of the new Horizon Europe framework ***programme***. 45. It is against the use of European funds for research geared towards energy generated using nuclear power if this serves the purpose of extending terms or new construction. The use of EU resources in the nuclear field should focus on research for radiation protection, nuclear medicine and radiotherapy, ultimate disposal of radioactive waste and the decommissioning and dismantling of nuclear power plants. European strategic investments 46. The Bundesrat acknowledges that the Commission is establishing a successor model to the European Fund for Strategic Investments (EFSI) with the “InvestEU” fund which is intended to mobilise public and private funds in the form of loans, guarantees, equity instruments or other market-based instruments for investments. The Bundesrat again points out (BR Official Document 521/16 (Decision)) that this fund is neither regionally incorporated nor managed by a ***programme***. A definitive analysis of the specific funding ***programmes*** will not be carried out by the Bundesrat until it delivers its Opinion on the sectoral regulations. 47. The Bundesrat welcomes the higher funding envisaged for the Connecting Europe Facility. European added value is particularly visible in expansion of the trans-European networks in all three fields — transportation, energy and digital. This also applies to investments in the transportation systems and the crossborder transportation infrastructure for which additional resources can be made available by the Cohesion Fund. Publication 166/18 (Decision) – 12 – 48. The Bundesrat welcomes the new Digital Europe ***programme***. Supporting the digitalisation of industry and society is a primary task in the next few ***years***. Europe has to further develop its ability to compete in key areas of the future such as artificial intelligence, supercomputing, cybersecurity or digitalisation of industry. This will only happen if the staff are qualified fully and accordingly. 49. In keeping with this, activities that cut the resource and energy consumption of digital infrastructure, advanced digital expertise and a high level of consumer and data protection should also be funded. Single Market 50. The Bundesrat stresses the importance of a smoothly functioning Single Market and particularly welcomes the focus on SMEs and continuation of the European ***programme*** for the Competitiveness of Enterprises and Small and Medium- Sized Enterprises” (COSME ***programme***). However, the planned combination of the various ***programmes*** should not be at the expense of the COSME ***programme***. Likewise, the success model of the European Enterprise Network (EEN), which includes support of SMEs in networking, internationalisation and innovation management should be continued. 51. The Bundesrat welcomes the ***programmes*** to combat fraud, to assist customs and to prevent and combat tax fraud, tax evasion and tax avoidance (Fiscalis). The Bundesrat supports the overarching objectives of the ***programme*** to include better cooperation, simplification of procedures, and creation of electronic structures. Space – European Space ***Programme*** 52. The Bundesrat welcomes the fact that the added value and importance of space travel as a segment of major technological and strategic importance is being made visible with its own area of expenditure in the MFF. 53. At the same time, it also appreciates the planned increase in the resources made available for this area. The funds are necessary to sustainably develop the Galileo, Copernicus and EGNOS ***programmes***, among others, and safeguard Europe’s technological independence in the area of satellite technologies in the medium term. – 13 – Publication 166/18 (Resolution) III. Cohesion and Values Role of the Cohesion Policy and the strategic framework 54. The Bundesrat praises the Commission’s acknowledgement of the Cohesion Policy as the EU’s most important investment policy in its Communication and the fact that it attributes particular European added value to it. The Bundesrat again stresses in this context the importance of the Cohesion Policy for economic, social, and geographical cohesion. The Cohesion Policy conveys the Union’s activity and its value to the citizens at local level like no other policy. Its main advantage primarily lies in the shared management of the ***programmes*** which enables the regions to target their specific challenges. It is good to see that this principle is also to continue to be pursued under the Cohesion Policy. 55. The Bundesrat welcomes the modernisation and recognition of the Cohesion Policy as a key pillar of the investment policy of all regions and acknowledges the restriction to the support of efficient ***programmes*** with EU added value in order to firstly yield the savings required and secondly to finance the EU’s new tasks in the fields of security, migration and a global ability to compete. 56. The Commission essentially places the right emphasis with the proposed objectives for the use of the ESI funds. The prioritisation of innovation, education and skills, employment, climate protection and resource conservation, and a strong interlinked and social Europe close to the citizens creates a sound basis for the regions to continue their proven support approaches with their Cohesion Policy ***programmes*** and at the same time to also respond to new challenges. 57. The Bundesrat expects the inclusion of the objective to bring Europe closer to the citizens — which is primarily intended to serve support of socio-economic local development in urban and rural areas — to entail more flexible conditions for integrated approaches of urban and suburban development (BR Official Document 543/17 (Decision)). In order for these approaches to be implemented effectively and tailored to regional-specific demands, they must be accessible for the objectives of all funds and should not be hindered by close thematic specifications or additional indicators. Publication 166/18 (Decision) – 14 – 58. The Bundesrat welcomes the Commission’s aspiration to further develop the intelligence specialisation. The concept has proven itself as a successful instrument for identifying the individual strengths of the regions and addressing them specifically via the ESI funds in terms of development and strengthening of EUwide value-added chains and increasing the Union’s ability to compete. However, the Bundesrat calls on the Commission to simplify the procedure for drawing up and/or continuing the regional innovation strategies and to ensure sufficient configuration options for the regions. 59. It expressly welcomes the fact that ESF is still part of the Cohesion Policy and that it remains integrated into the same section as the ERDF. However, the Bundesrat calls on the Commission to ensure that ERDF and ESF+ are still included under common political objectives to encourage synergies between the funds as well as integrated regional development approaches and that the functioning of the target systems remain comparable. The pooling of the funding tools under the social policy sought by the Commission with the ESF+ should not weaken the ESF’s Cohesion Policy focus. 60. The Bundesrat is concerned about the prominent position that support of national structural reforms is to be accorded in future ESF priorities. As a Cohesion Policy fund, the ESF is primarily geared towards supporting regional needs and potential. Its targeted structure policy interventions locally in the regions and the communes help significantly to make Europe and the European objectives and priorities visible to the people. Extending the focus of ESF use to national measures to implement country-specific recommendations as part of the European Semester would significantly streamline the European added value of the Cohesion Policy. Funding of the Cohesion Policy 61. The Bundesrat is aware of the conflict between the lower income due to the United Kingdom’s withdrawal and additional expenditures due to the EU’s new tasks. Nevertheless, it again emphasises the considerable contribution of the Cohesion Policy to tackle the ongoing EU tasks exist and the new challenges. In view of the considerable European added value of the Cohesion Policy, the Bundesrat therefore continues to call for not reducing the Cohesion Policy’s portion of the EU budget and continuing to allow all regions in the EU to participate in the Cohesion Policy. – 15 – Publication 166/18 (Resolution) 62. In this context, the Bundesrat points out that the estimate of the reform implementation in the amount of €25 billion leads to a change in real terms in the amount of the funds envisaged for the Cohesion Policy. 63. It has ascertained looking at the ESF+ that the financial resources proposed by the Commission for these funds do not constitute a true increase given the additional tasks. Given the support required by the member states with the cost of integrating immigrants, the Bundesrat expects a discernible European contribution. 64. It stresses once again that a reasonable minimum portion of the EU funds has to be guaranteed in order to execute the ***programmes*** as part of the Cohesion Policy with a division of responsibility. If the EU portion is reduced any further, this could make the support less appealing, efficient and effective. Furthermore, the Cohesion Policy has to be equipped with the funds that are required to counter growing Euroscepticism as close to the citizens as possible and to make the benefits of EU policies more visible. Cohesion Policy for all regions 65. The Bundesrat welcomes the fact that the Commission essentially recognises the importance and the benefits of the Cohesion Policy for the transition and the more developed regions too and that they are also to continue to be a part of the Cohesion Policy. 66. The Bundesrat underscores in this context the special role that the transition and the more developed regions play as drivers of innovation and growth for the entire EU. These regions especially play a major part in increasing the ability to compete EU-wide and in strengthening the European value chains. At the same time, the transition and the more developed regions face growing structural challenges that require support. Publication 166/18 (Decision) – 16 – 67. However, the Bundesrat reiterates its call for an increase in the portions of cohesion funds made available to these regions (see Bundesrat Opinion of 15 December 2017, BR Official Document 543/17 (Decision), number 13). According to the distribution criteria proposed by the Commission for the new funding period, Germany risks a disproportionately high reduction in EU structure funds compared with other member states. However, the German federal states — as growth and innovation drivers — make an above-average contribution to the entire EU’s economic strength and to achievement of the EU’s objectives. For this reason, they should be integrated more into the structure funds support in the future. 68. As presented in the Seventh Cohesion Report (COM(2017) 583 final), regions with a gross domestic product per capita close to the average of the EU face particular structural challenges. At the same time, these regions are links playing a key bridging role and they are of particular importance for the EU-wide cohesion. The Bundesrat asks that special attention is paid to these regions under the Cohesion Policy to prevent their economic and social development from stagnating due to the “trap of the average income”. 69. The Bundesrat welcomes the increase envisaged by the Commission of the cap for the transition regions to 100 per cent of the GDP per capita in line with the EU average. However, it points out that given the related expansion of the number of transition regions there is no corresponding increase in the resources available for this. The resource volume for the transition regions should be increased accordingly on the basis of findings in the Seventh Cohesion report. Resource distribution rules 70. The Bundesrat acknowledges the Commission’s aspiration to tackle current challenges such as unemployment, climate change, and the integration of asylum seekers. As a result, however, the system for resource distribution should not be made more complicated. 71. The Bundesrat essentially welcomes the fact that the so-called “Berlin formula” to distribute the resources and the relative GDP per capita should be retained as the key criteria for resource allocation under the Cohesion Policy. The relative GDP per capita has proven itself in the ongoing funding period as an objective and reliable indicator. – 17 – Publication 166/18 (Resolution) 72. As regards additional indicators, the Bundesrat emphasises that they should only influence resource distribution if their impact is not already mapped indirectly in GDP per capita as an indicator of economic power. Against this backdrop, it considers the indicators proposed by the Commission for the “Berlin formula” — particularly the reception and integration of refugees as well as the decarbonisation — to be interesting approaches that affect the entirety of the EU as long-term challenges. The other indicators proposed by the Commission, particularly youth unemployment, cannot be separated from the main indicator of GDP per capita to a comparable extent. 73. By contrast, the Bundesrat suggests taking specific demographic problems like the ageing population and in particular the ageing labour force into account as an additional indicator under the “Berlin formula.” The reduction in the proportion of the working age population as a result of ageing is a major demographic disadvantage that negatively impacts the ability of the regions to innovate and as a result their ability to compete and their economic performance to a huge extent in the medium to long term. It also takes the opportunity here to note that taking the demographic disadvantages into account in the Cohesion Policy as rationale is enshrined in primary law. European Territorial Cooperation 74. The Bundesrat regrets very much that the Commission recognises the significant European added value of the European Territorial Cooperation (INTERREG) but nevertheless intends to cut the total resources as well as its portion of resources for the Cohesion Policy. This applies in particular to the substantial cuts at the expense of the cross-border cooperation as well as the waiver of financial allocations for project-based cooperation within the proven INTERREG Europe ***programme***. The INTERREG funding is based on the concept of meetings and the exchange of experiences which allows the citizens to experience Europe directly. It motivates people to build bridges and to work together beyond borders. In doing so, it makes a major contribution to European integration and to supporting good neighbourly relations in Europe. INTERREG should not become less important in times of growing Euroscepticism. 75. For this reason, the Bundesrat calls for INTERREG to receive funding in the coming MFF that is at least as much as that in the current funding period. Publication 166/18 (Decision) – 18 – 76. However, the prioritisation of economic cooperation and innovation should not lead to other key areas of priority that are of significant importance for the future, especially in view of the increasing tension within the EU, being pushed into the background. This primarily relates to cooperation projects between citizens, institutions, and administrations. 77. The Bundesrat praises the Commission’s efforts to give more due consideration from now on to the multi-state nature of the INTERREG ***programmes*** in the rules for the management and control systems and the implementation of INTERREG. 78. It welcomes the fact that the Commission gives clear precedence to EU law over national law, but regrets that it has not declared sole ruling on the basis of EU law. This means that uncertainty still remains for the transposing authorities when implementing the ***programme***. 79. The Bundesrat also strongly reiterates its call for INTERREG to be completely excluded from the aid schemes (see BR Official Document 543/17 (Decision)) and asks the Commission to improve its proposals for future INTERREG support in this regard. Economic policy coordination, conditionality and national co-financing 80. The Bundesrat supports the approach expressed in the proposal to promote the necessary structural reforms in connection with the European Semester more from now on, using positive incentives instead of sanctions. 81. It reiterates its concerns regarding the planned strong tie of the ESI support to economic governance as part of the European Semester (see BR Official Document 521/16 (Decision)) and BR Official Document 543/17 (Decision)). With regard to the statement contained in the Communication that from now on the regional components are to be taken into account more in the tie between the Cohesion Policy and the European Semester, the Bundesrat sees a need for some explanation. In any case, this should not lead to a further increase in administration and reporting requirements for the ESI funds. – 19 – Publication 166/18 (Resolution) 82. The Bundesrat refers to the inconsistency of the proposal of a closer tie between the EU budget and the European Semester in terms of economic policy coordination since the regional policy ***programmes*** are geared towards a long-term impact and the recommendations under the European Semester, which are of more of a short-term nature, cannot be tied in directly with support in regional policy. 83. While the annual country-specific recommendations are geared towards the member states, planning and implementation of the ESI funds’ long-term ***programmes*** are often the responsibility of the regions. Furthermore, the ESI funds can only support country-specific recommendations if there is a material connection with the content of the ESI fund ***programmes***. 84. As regards the Commission’s announcement and intention to maintain the macroeconomic conditionalities as a support prerequisite, the Bundesrat again stresses its rejection of the macroeconomic conditionalities (see BR Official Document 521/16 (Decision) and BR Official Document 543/17 (Decision)). 85. The Bundesrat is extremely critical of the proposed increase in national cofinancing. It points out that the proposed reduction in EU co-financing, especially for the German transition regions, constitutes a considerable cut and is very troubling for the existing support systems. The Bundesrat therefore calls on the Commission to develop rescue solutions for those regions affected by the disproportionately high cuts. At the same time, it again highlights that the high demands proposed on the national co-financing in regions with comparably low support intensity could lead to support via the ESI funds becoming unappealing in general. 86. It rejects an increase in national co-financing over 50 per cent and points out that the portion of EU financing to date has to be guaranteed as a minimum. Only then is it possible to implement the ***programmes*** as part of the EU Cohesion Policy with shared responsibility efficiently and effectively. The proposed reduction of the EU portion would lower the cost-effectiveness and the administrative effort would then jeopardise an appealing Cohesion Policy, which plays a major role in the stabilisation of the regional economy. Implementation of the ***programmes*** and simplification Publication 166/18 (Decision) – 20 – 87. The Bundesrat is strongly in favour of the increased interaction with other ***programmes*** in order to significantly increase the efficiency of measures in the future. However, this should not be at the expense of the support offering for SMEs and for start-up firms. As regards the newly proposed ***programs*** at EU level, it is important to improve the coherence of the support ***programmes*** since even the centrally managed European ***programmes*** affect the regions and also the parties involved locally. 88. The Bundesrat points out that improved coordination of the support tools has to be possible with no additional administrative effort. The various support ***programmes*** should offer complementary possibilities and improved handling for the beneficiaries and should not further increase the complexity of the support landscape. 89. In this context, it calls for major simplification of the rules for managing the ESI funds. In particular, a thorough review and reduction of the European ***programme*** requirements and the management and control systems is mandatory. The aim should be to create straightforward rules. Care must be taken to ensure that there is comprehensive legal certainty regarding the rules to be observed already at the beginning of the ***programme*** planning period and that this is not supplemented with many delegated regulations that hinder the start of the individual ***programmes***. One example is the single audit principle in the audit system, which should be strengthened. A single check by an audit agency locally is not enough. 90. The Bundesrat welcomes the strong results-driven approach in all areas of EU policy, even in the Cohesion Policy. However, it points out that a results-driven focus instead of a cost-driven focus may lead to target and implementation conflicts since ex-ante and ex-post results can be fixed and analysed less specifically. 91. The Bundesrat supports proportionality in monitoring of the results. The costbenefit relationship of the indicator system applied has to be improved. Reporting must also be simplified in order to easily record results with a few effective indicators. Simpler evidence obligations that use flat rates should help simplify implementation and make it more efficient. The EU’s audits should essentially focus more on combating fraud and corrup– 21 – Publication 166/18 (Resolution) tion. However, the Bundesrat does not consider the ARACHNE tool proposed for this purpose by the EU to be suitable. 92. The Bundesrat also refers to the considerable bureaucratic effects of the performance reserve used to date. For this reason, it believes that the performance reserve should be dropped for the sake of simplification. 93. The accompanying evaluation is overly large in its existing form and has to be reduced to an appropriate level. The Bundesrat stresses that evaluations should not be carried out shortly after the support ***programmes*** have begun in order to yield usable findings from the evaluation. 94. It welcomes the Commission’s proposals to reduce the administrative burden through synergy effects and achieve alignment of the funds’ implementation provisions. It is also strongly in favour of the aim in execution to differentiate with simplified management and control systems for ***programmes*** with a positive record and the option to access existing administration and control systems — and particularly to waive the need for a repeated design in doing so. 95. For this reason, the Bundesrat welcomes the systematic implementation of the single audit approach. It is in favour of applying this approach to all shared fund management ***programs***. However, this must not lead to requirements of the national audit systems being increased disproportionately by the EU. 96. The Bundesrat supports all farther-reaching approaches for simplifications and states that a focus should be on restricting the audit depth of the Commission auditors to viability checks. 97. Looking to the Commission’s announcement, it calls for substantial simplification and streamlining of provisions for state aid. 98. The Bundesrat welcomes the proposed aims of the Cohesion Policy which makes the regions more future-proof and is intended to enable them to build on their respective potential and to leverage it as much as possible. However, the decision regarding the focus of interventions should be left to the regions and member states since they are best placed to boost their strengths and compensate for their weaknesses. The Bundesrat rejects a general obligation to use financial instruments in the next funding period. Publication 166/18 (Decision) – 22 – 99. It welcomes the fact that the Commission has not proposed any mandatory minimum requirements for financial instruments. The usefulness of support using financial instruments always depends on the individual case. The decision regarding the type of funding should be reserved at national / regional level in order to take a decision about the use of financial instruments depending on several specific factors (e.g the type of projects, the general economic situation, the interest rate level). Economic and Monetary Union 100. The Bundesrat welcomes the Commission’s intention to strengthen the Economic and Monetary Union (EMU). It stresses here that the ability of the member states to compete is of great importance for the stability of the EMU. Strengthening this and setting the corresponding incentives to reform must be a core aim of economic policy. 101. The Bundesrat acknowledges that the Commission accords high priority to the execution of growth-enhancing structural reforms in the member states. 102. The Bundesrat is of the opinion that the added value of the Reform Support ***programme*** proposed by the Commission is specifically found in the tool for technical support which will enable reform-willing member states to receive technical administration support from the Commission’s Structural Reform Support Service or technical assistance from another provider. By contrast, the need for the proposed resources for the reform implementation tool of €22 billion is not adequately justified in terms of reason or amount. 103. The Bundesrat is concerned that the sharp demand for resources under the current ***programme*** for structural reform could also depend on deadweight effects, i.e reforms that could also have been implemented without the ***programme*** are being supported. The ***programme*** should be flanked by measures that aim to minimise the deadweight effects. 104. The Bundesrat is also critical of the proposal to create an independent Reform Delivery Tool for national reforms, e.g on the product and labour markets, for tax reforms, or for education reforms because it can be assumed that the resources earmarked for these funds are to be financed by the proposed cuts in the ESI funds. However, structural reforms can only – 23 – Publication 166/18 (Resolution) have a long-term impact if they are flanked locally by specific structural policy measures (innovation funding, SME funding, etc.) as is the case under the Cohesion Policy. 105. For this reason, the Bundesrat reiterates its request that in the following funding period the funding of measures to support the reform commitments of the member states should not be at the expense of the ESI funds in shared management and the related regional freedom in ***programming*** of funds (see BR Official Document 749/17 (Decision)). 106. It acknowledges the proposed European Investment Stabilisation Function. Investing in people, social cohesion and values 107. The Bundesrat also acknowledges the fact that ESF+ supports implementation of the European Pillar of Social Rights and is intended to act as the most important EU instrument for investment in human capital at over €101 billion. This includes pooling the current tools — the ESF, the Youth Employment Initiative, the Fund for European Aid to the Most Deprived, the Employment and Social Innovation ***programme*** and the EU Health ***programme***. The Bundesrat expects that the ESF+ will also be visibly supported by the needs-driven support of employment, qualification and social integration. 108. The Bundesrat welcomes the Commission’s proposal to significantly expand the Erasmus+ ***programme***. There is no mistaking that the ***programme*** has played a major part in increasing mobility and the exchange between Europeans since it was established. However, the Bundesrat also points out that there is still an imbalance between participation in the academic and non-academic context. There are many reasons for this and they cannot simply be eliminated by launching the ***programme***. Parts of the education systems, particularly in the field of vocational training, vary greatly, for example. For this reason, funds for a structured exchange of experiences between the member states should also be earmarked in the direction of the new ***programme*** as this would ultimately facilitate European mobility. 109. It welcomes the fact that the Commission intends to pool and substantially strengthen the existing supporting tools for aid work and volunteering with Publication 166/18 (Decision) – 24 – the planned direction and provision of the European Solidarity Corps. At the same time, it emphasises that this must not lead to mixing aid work and volunteering with employment in the social field. 110. The Bundesrat acknowledges that under its proposal for justice, rights and values, the Commission provides for moderate growth in the rights and values area. In view of increasing populist and nationalist trends and the debates surrounding adherence to the rule of law and values in some member states of the EU, a stronger commitment by the EU in these areas is imperative and welcome. 111. By further pooling specific ***programmes*** that currently exist for equality and combating (sexual) violence (Daphne), the transparency necessary to ascertain the extent to which resources are used for these aims is lost. The Bundesrat regrets very much that these two issues are no longer specifically mentioned under the future “Rights and Values” category. 112. The Bundesrat also regrets that the current ***programme*** for funding civil involvement (“Europe for Citizens”) is not mentioned. It is of the opinion that the ***programme***’s aims will also need European funding after 2020. If there are plans to implement this under the Justice, Rights and Values ***programme***, the funds for this would have to be increased compared with the Commission’s approach. 113. By contrast, the Bundesrat welcomes the fact that the “Creative Europe” ***programme*** will remain as an independent one. The Bundesrat also welcomes the proposed reinforced funding for this ***programme***. IV. Natural Resources and Environment General 114. The Commission has set itself the task of gearing the budget more towards European added value, bundling resources and yielding results through this that would be unachievable for the member states on their own. Using European added value as a compass for allocating European resources is welcomed. An intact environment, clean soils and water, the protection of biodiversity and good air quality are vital for everyone and are incorporated in – 25 – Publication 166/18 (Resolution) many of the EU’s regulations and specialised policies. The achievement of these standards set by the EU is demanding and necessary. The Bundesrat is in favour of also using European added value as a guide for environmental funding and ***agricultural*** policy. ***Agriculture*** and maritime policy 115. The Bundesrat is in favour of the environment and the climate being placed higher on the agenda in the reformed ***agricultural*** policy and the Commission intends to support the transition toward a more sustainable ***agricultural*** sector and toward the development of dynamic rural areas. 116. However, the Bundesrat doubts in this regard whether the Commission’s proposals for the future financial framework constitute suitable approaches for adequately supporting ***agriculture*** and forestry and the rural regions further while also meeting existing and new challenges such as food safety, helping the countryside flourish, high standards in ***agricultural*** production and contributions to climate and water protection or to maintaining biodiversity and achieving the European targets in climate and environmental protection and nature conservation. 117. It especially criticises the disproportionate cuts in the second pillar of the CAP. This intervention is at the expense of the rural areas and contradicts the stronger environmental protection and nature conservation sought by the Commission as well as the contribution to the EU’s climate and resource protection targets. The new CAP has to be able to fund the national aim of expanding organic farming to 20 per cent of the ***agricultural*** land. 118. The Bundesrat rejects an increase in the co-financing rates for the second pillar of the CAP. In order to avoid competition for the lowest environmental standards, it also sees a need for a single minimum standard throughout Europe in the field of environmental protection and nature conservation and considers it necessary to also take this into account sufficiently in ***programme*** design at a European level. 119. The Bundesrat is extremely critical of the lower EU co-financing proposed in terms of involvement in the development of the rural areas (EAFRD / second pillar of the CAP). For the German support regions that currently Publication 166/18 (Decision) – 26 – fall under the transition region category in particular, it constitutes a drastic cut that hardly be borne by existing funding systems. In light of this, the Bundesrat emphatically rejects abolition of the category of transition regions under the EAFRD. Alternatively, it calls on the Commission to develop transition solutions for the regions affected with regard to the cofinancing rates. At the same time, it stresses that the high demands proposed on the national co-financing in regions with comparably low funding intensity could lead to funding via the EAFRD becoming unappealing in general. 120. The Bundesrat welcomes the fact that the transferability of the resources between the two CAP pillars is to remain permissible. 121. It refers to its Opinion on the Commission’s reflection paper about the future of the EU finances (BR Official Document 543/17 (Decision)) and reiterates its call for a well-funded and simplified CAP. 122. In particular, the implementation of the new performance model on the basis of the impact and/or results and output indicators should not lead to any excessive bureaucracy and must enable sufficient national and/or regional flexibility. Germany’s federal structure also needs to be taken into account in a new delivery model. 123. The Bundesrat emphasises that the new implementation structures should not lead to support from the EAFRD being centralised at national level and that regional freedom be lost. ***Programming*** of the regional EAFRD rate must also be left to the federal states. The newly planned CAP strategy plan at federal level instead of the individual development plans of the respective federal states contradicts Germany’s federal constitution. The additional administration level that this would entail for the German government to implement the CAP parallel to the existing administration structures in the federal states have to be avoided. The Bundesrat calls on the Commission to ensure that cross-support funding approaches between the EAFRD, the ERDF and the ESF remain possible and the regional cooperation between these funds is not hindered by any additional regulatory or bureaucratic obstacles. The partnership principle with the EAFRD has to continue to be taken into consideration at regional level. This primarily requires the option of being able to continue the regional monitoring committees. – 27 – Publication 166/18 (Resolution) 124. In implementation of the aim to make distribution of direct ***payments*** to the farmers more balanced, the member states need adequate leeway to be able to sufficiently take the diverse ***agricultural*** structures and jobs in rural areas into account. The resource caps and the decision regarding degressive ***payments*** or redistribution of direct ***payments*** based on maximum thresholds must stay in the member states or in the regions. 125. The Bundesrat rejects EU-wide rules for binding caps per business. 126. In connection with this, the Bundesrat refers to the aid rules which will continue to have to stay in line with the provisions of the CAP and are to be applied with any co-financing or national compensation ***programmes*** and would result in high economic disadvantages due to heterogeneous business structures. 127. The United Kingdom’s withdrawal from the EU places specific challenges on the fisheries sector over the next few ***years***. For this reason, it is to be welcomed that the MFF also wishes to adequately fund the European Maritime and Fisheries Fund (EMFF). A critical review will be required as to what portion of the resources are actually able to be used for the central aim of improving the ability of the fisheries sector and the fishing industry, which includes aquaculture, to compete. 128. The success of the EMFF for the fisheries sector will primarily depend on this. It is imperative that the excessive bureaucratic hurdles of the current funding period are reduced. At the same time, an increase in the ability to compete of the fisheries sector will only be manageable if examination is more strongly regionalised. The ability of all fleet segments, such as German shrimp fishing, to compete can be maintained by significantly rejuvenating the fleet. For this reason, it is important in those marine areas and fleet segments in which there is a balanced relationship between the fleet size and the fishing opportunities to also enable support of new construction. 129. Aquaculture in Germany plays a valuable role in increasing fish selfsufficiency levels. High environmental and animal protection standards guarantee sustainable production of high quality foodstuffs but constitute a great challenge for Germany’s ability to compete in aquaculture. For this Publication 166/18 (Decision) – 28 – reason, the support of aquaculture businesses is essential to maintain and further expand this industry. 130. The environmental benefits that the very extensive and sustainably managed pond fish cultures generally bring serve to maintain historic cultural landscapes, valuable ecosystems and protected species and must be rewarded unbureaucratically. Ways must be found in the future direction of the EMFF that reduce the current level of monitoring to a minimum, cut the high portion of administration costs and allow pond farms easy access to support. Furthermore, the support of regional development strategies and local marketing strategies is important in order to highlight the matter of sustainability and the circular economy in line with the excellence of the native fish. Climate action and environmental protection 131. The Bundesrat welcomes the fact that the Commission intends to meet its international obligations in the areas of climate protection and biodiversity with the future EU budget. It shares the opinion that greater ambition is required for the environment and climate protection. 132. With regards to the increased per centage of EU expenditure for climate protection from 20 per cent to 25 per cent, it nevertheless stresses that strong set quotas can reduce the breadth of application of the budget, which for example is not always appropriate in support of regional development. 133. The Bundesrat supports the proposed continuation and strengthening of the ***programme*** for environmental and climate action (LIFE). Improved conditions for synergies between LIFE and the Cohesion Policy / GAP are desirable. It also welcomes the expansion of the ***programme*** to include energy transition: for regions that are facing structural change processes caused by the energy transition, fair burden-sharing is required in capacity building, investment activities, innovation support, and policy implementation. 134. The Bundesrat specifically welcomes the increase in the support for LIFE funds and recognises that the Commission is sending an important signal here. It considers expansion of the LIFE ***programme*** to include the energy transition to be positive as long as urgently needed funding for environmen– 29 – Publication 166/18 (Resolution) tal and climate action is not reduced. The Bundesrat points out that the LIFE ***programme*** is aimed at the exemplary development and application of innovative solutions. This cannot compensate neither in extent nor in target achievement to less support or an increase in resources actually required for agri-environmental measures (AEM). For sustainable protection of the LIFE measures, correspondingly designed and sufficiently funded AEMs are indispensable. Improved conditions for synergies between LIFE and the Cohesion Policy / CAP are desirable. 135. The Bundesrat supports the Commission’s objective of strengthening small and medium-sized enterprises and thus enabling a diverse ***agricultural*** structure. 136. It welcomes the Commission’s plans to set more ambitious aims for the inclusion of climate concerns in all EU ***programs*** and to plan for every fourth euro of EU expenditure contributing to achieving climate goals. At the same time, it points out that a climate protection-effective use of funds must be ensured and that higher coherence of the various political fields is required. Care must be taken to ensure that climate change adaptation measures are also supported in addition to measures to reduce CO2. V. Migration and Border Management Migration 137. From the Bundesrat’s point of view, it is right and important that the Commission has devoted a great deal of attention to the issue of migration for the new MFF. An effective, responsible and sustainable migration, integration and return policy requires the cooperation and solidarity of all member states. 138. The allocation of funds for these expenditures must take into account the high migration pressure and admission levels of the individual member states since the migration flows of 2015 / 2016, particularly with regard to the correspondingly high need in terms of vocational qualifications and integration into the labour market. Publication 166/18 (Decision) – 30 – 139. However, the proposed reinforcement of the Asylum and Migration Fund falls short, particularly when compared with the level of expenditure planned for border management. From the Bundesrat’s point of view, it must be ensured that sufficient funds are made available for the integration of migrants in the member states that have taken on this joint European task. The countries should not be burdened with additional administrative effort when executing the ***programmes*** of the Asylum and Migration Fund. Border management 140. The Bundesrat welcomes the significant increase in funds proposed by the Commission for border management. It therefore considers set-up of the new fund for integrated border management to be a systematic and important step toward guaranteeing essential protection of the EU’s external borders to maintain a zone of freedom, safety and rights and to counter the current challenges. The financial need of the European Border and Coast Guard agency is increasing in particular due to further implementation of the new Frontex regulation and the possible further development of a European border control police force. 141. Given that for successful work as part of the common European asylum system and effective border management the agencies responsible, EASO, euLISA and FRONTEX have received a major increase in their tasks, the Bundesrat believes that an increase in resources for this is plausible and correct. VI. Security and Defence and Crisis Response Security 142. From the Bundesrat’s point of view, it seems appropriate in view of the increase in security threats in Europe to earmark more funds than before for the joint fight against terrorism and radicalisation, organised crime and cybercrime as well as for the support and protection of victims of offences and to implement these responsibilities with suitable funding tools. However, care must be taken here to ensure that this does not lead to additional expenditures for the federal states. – 31 – Publication 166/18 (Resolution) Defence 143. The Bundesrat refers to its Opinion of 15 December 2017 (see BR Official Document 543/17 (Decision)) regarding the need for cooperation in the field of defence and assumption of responsibility for own safety. In it, it stresses the need to avoid duplications between member states and to ensure the interoperability of its defence nature in order to achieve the objectives cost-effectively and efficiently. 144. It also acknowledges the resources earmarked for military mobility. In this context, it emphasises that suitable processes must be ensured so that these funds allocated to the Connecting Europe Facility can be used for both civil and military use. Crisis response 145. Regarding the Commission’s proposals for the Civil Protection Mechanism, the Bundesrat refers to its Opinion of 2 March 2018 (see BR Official Document 756/17 (Decision)) in which it states that the new Civil Protection Mechanism with rescEU units planned is not necessary. The Union is not free to operate independently in this respect and this should not be introduced through the Commission's proposed resolution either. All legislative measures and related authorisations for the Commission and additional obligations of the member states must therefore be under due consideration of the subsidiarity principle. In light of this, the Bundesrat rejects the increased resources planned under the MFF in the communication for rescEU units as central European resources. The approaches created in the financial framework should be without prejudice to building such capacity. However, it recognises the Commission’s support efforts for reinforced funding and an increase in the coping capacities as part of the European Aid Reserve and the rescEU resources integrated into the Reserve under Article 11 of Resolution No. 1212/2013/EU which are also used for cross-border assistance. An increase in the financial framework for cofinancing of the units under Article 11 of Resolution No. 1212/2013/EU is understandable if considerations regarding negotiation approaches between the Commission, the member states, and the mediation of the Bulgarian Council presidency are put aside. Publication 166/18 (Decision) – 32 – 146. The Bundesrat points out that as regards the civil protection plans, the Commission has no controlling authority over the member states that would allow sanctioning in the sense of ex-ante conditionality in relation to the funds under the ESI funds. Wherever resources for disaster prevention are used, a cut in resources would be counter-productive due to risk management classified as insufficient by the Commission. At the same time, the proposed regulation of awarding of ESIF resources would considerably increase the complexity and thus the administrative burden. VII. Neighbourhood & the World 147. The Bundesrat acknowledges the Commission’s proposal to pool most of its external action instruments into a Neighbourhood, Development and International Cooperation Instrument. It shares the Commission’s aim to create greater coherence and synergy effects, particularly by closely linking foreign, security, climate change, migration and development policy. 148. It also points out that the primary objective of European development cooperation under Article 208 paragraph 1 sentence 3 of the TFEU is combating and eradicating poverty. Furthermore, it reaffirms its conviction in its Opinion of 15 December 2017 on the Commission’s Reflection Papers (see BR Official Document 543/17 (Decision)) stating that combating the structural causes of poverty and growing global inequality can also help to reduce the motives for flight. However, development cooperation should not primarily become a migration policy instrument due to the objectives set under primary law alone. Care must therefore be taken to ensure that independence of objectives and the necessary funding for the EU’s development cooperation are kept. 149. The Bundesrat welcomes the fact that additional resources, and even private ones, are to be mobilised building on the European External Investment Plan and the European Fund for Sustainable Development. However, it also points out that subsidies are critical in addition to guarantees and loans if development in the partner states is to be funded sustainably. This especially applies if it improving fundamental state services such as education, vocational education and health is involved and if rule of law and institution building is to be advanced. – 33 – Publication 166/18 (Resolution) 150. The Bundesrat essentially welcomes integrating the European Development Fund into the EU’s budget. This step serves budget transparency and can encourage policy coherence. However, the Bundesrat expresses its concern that the United Kingdom has contributed substantially to the European Development Fund to date. It is not in favour of reorganisation, which would make the financial participation of states that are not part of the EU impossible in the future. 151. The Bundesrat stresses the importance of decentralised development work at regional and communal level, especially in view of the exchange of experiences between subnational parties involved and implementation of Agenda 2030 and given the stronger connection to civil society engaged in development policy in the member states. It asks the Commission to support opportunities for decentralised development work with the concrete form of foreign policy from 2021 strengthened through the corresponding ***programmes***. VIII. European Public Administration 152. It welcomes the Commission’s efforts to organise the work of European public administration as efficiently as possible and its attempt to make the most of synergies and efficiencies. However, it finds the expenditures for administration disproportionately high compared with the current MFF. In this context, the Bundesrat refers to the simplifications of management and control systems sought by the Commission, particularly in the case of shared management instruments. They should enable administrative efforts within the Commission to be reduced and savings. IX. Course of action 153. In addition, please also refer to the Bundesrat Decision of 15 December 2017 regarding the Commission’s Reflection Papers, particularly on the future of EU funding (see BR Official Document 543/17 (Decision)). 154. The Federal Government is asked to involve the federal states at expert level in the forthcoming discussions and to provide support in appointment of a Bundesrat representative for the corresponding EU bodies. Publication 166/18 (Decision) – 34 – X. Direct submission of the Opinion 155. The Bundesrat will transmit this Opinion directly to the Commission.

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Brussels: Council of the European Union has issued the following document:

PR\1161472EN.docx PE626.971v01-00 EN United in diversity EN European Parliament 2014-2019 Committee on Budgets 2018/2046(BUD) Part 1 27.9.2018 DRAFT REPORT on the Council position on the draft general budget of the European Union for the financial ***year*** 2019 (11737/2018 – C8-0410/2018 – 2018/2046(BUD)) Part 1: Motion for a resolution Committee on Budgets Rapporteurs: Daniele Viotti (Section III – Commission) Paul Rübig (other sections) PE626.971v01-00 2/15 PR\1161472EN.docx EN PR\_BUD\_1all CONTENTS Page MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION ............................................ 3 Published separately – Decisions taken by the Committee on Budgets at its meetings of 25/26 September 2018 on the draft amendments to the draft general budget ............................. Part 2 – A8-0000/2018 PR\1161472EN.docx 3/15 PE626.971v01-00 EN MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION on the Council position on the draft general budget of the European Union for the financial ***year*** 2019 (11737/2018 – C8-0410/2018 – 2018/2046(BUD)) The European Parliament, – having regard to Article 314 of the Treaty on the Functioning of the European Union, – having regard to Article 106a of the Treaty establishing the European Atomic Energy Community, – having regard to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union1, – having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/20022, – having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU, and repealing Regulation (EU, Euratom) No 966/20123, – having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the ***years*** 2014-20204 (the “MFF Regulation”), – having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management5, – having regard to its resolution of 15 March 2018 on general guidelines for the preparation of the budget6, – having regard to its resolution of 19 April 2018 on Parliament’s estimates of revenue and expenditure for the financial ***year*** 20197, – having regard to the draft general budget of the European Union for the financial ***year*** 2019, which the Commission adopted on 21 June 2018 (COM(2018)0600), 1 OJ L 168, 7.6.2014, p. 105. 2 OJ L 298, 26.10.2012, p. 1. 3 OJ L 193, 30.7.2018, p. 1. 4 OJ L 347, 20.12.2013, p. 884. 5 OJ C 373, 20.12.2013, p. 1. 6 Texts adopted of that date, P8\_TA(2018)0089. 7 Texts adopted of that date, P8\_TA(2018)0182. PE626.971v01-00 4/15 PR\1161472EN.docx EN – having regard to the position on the draft general budget of the European Union for the financial ***year*** 2019, which the Council adopted on 4 September 2018 and forwarded to Parliament on 14 September 2018 (11737/2018 – C8-0410/2018), – having regard to its resolution of 5 July 2018 on the mandate for the trilogue on the 2019 draft budget1, – having regard to Rule 88 of its Rules of Procedure, – having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A8-0000/2018), Section III General overview 1. Stresses that Parliament's reading of the 2019 Budget fully reflects the political priorities adopted by an overwhelming majority in its abovementioned resolutions of 15 March 2018 on general guidelines and of 5 July 2018 on a mandate for the trilogue; recalls that at the core of those priorities are: sustainable growth, innovation, competitiveness, security, the fight against climate change and the transition to renewable energy and migration, and a particular focus on young people; 2. Highlights that the Union continues to face numerous challenges and is convinced that, especially ahead of the UK withdrawal from the Union and the 2019 European elections, Union citizens expect the necessary financial resources to be deployed from the Union budget, in order to allow the Union to effectively respond to the abovementioned challenges and improve the day-to-day life of its citizens; 3. Points out that Europe's citizens expect the Union to strain every sinew to ensure economic growth and foster job creation; recalls that meeting those expectations requires investments in research and innovation, education, infrastructure, SMEs and employment, particularly among the young people of Europe, and that any failure in that regard will foster disillusionment with the European ideal; expresses wonderment that the Council yet again proposes cuts to the very ***programmes*** that are designed to make the Union economy more competitive and innovative; stresses moreover that many of these ***programmes***, for example Horizon 2020, are heavily oversubscribed, which constitutes a poor use resources and means that many excellent projects do not receive funding; highlights also the fact that ***programmes*** such as Erasmus +, Horizon 2020 and the ***Programme*** for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) provide a vivid demonstration of the advantages of working together across the Union and help create a feeling of European belonging; decides therefore to reinforce considerably Erasmus + and to strengthen ***programmes*** that contribute to growth and job creation, including Horizon 2020, Connecting Europe Facility (CEF) and COSME; 4. Reiterates its commitment to its pledges made during the European Fund for Strategic Investments (EFSI) negotiations, namely to minimise the impact of EFSI-related cuts on 1 Texts adopted of that date, P8\_TA(2018)0311. PR\1161472EN.docx 5/15 PE626.971v01-00 EN Horizon 2020 and CEF in the framework of the annual budgetary procedure; proposes, therefore, to offset those cuts by restoring the original annual profile of those two ***programmes***, in order to allow them to fully accomplish the objectives agreed during the adoption of the relevant legislation; 5. Highlights that youth unemployment remains unacceptably high in certain Member States and that the situation of young people in NEET (not in education, employment or training) situations and the long-term unemployed is particularly worrying; stresses that young people are the most at risk of poverty and social and economic exclusion; decides therefore to reinforce the Youth Employment Initiative (YEI) beyond the level proposed by the Commission; stresses that such reinforcement should in no way be seen as a frontloading of the YEI allocation endorsed in the context of the MFF mid-term revision; 6. Recalls that cohesion policy plays a primary role in the development and growth of the Union; emphasises Parliament’s commitment to ensuring adequate appropriations for those ***programmes*** that represent one of the core policies of the Union; 7. Regrets that, under current projections, only 19,3 % of the Union budget 2014 – 2020 would be devoted to climate-related measures, failing thus to reach the target of 20 %; understands that this is largely due to delays in cohesion policy and the rural development ***programmes***; urges Member States, who manage them, to speed up their implementation with a focus on climate-related spending in order to offset the lower allocations made during the first ***years*** of the MFF; calls on the Commission to develop an action plan within ***programmes*** having massive potential to contribute to reaching the climate-related spending target; 8. Underlines that Heading 3 has been largely mobilized in the recent ***years*** to address the migratory and refugee crisis and that such actions should continue for as long as needed; calls on the Commission to actively monitor the adequacy of allocations under Heading 3 and make full use of all available instruments to respond in a timely manner to any unforeseen event that might require additional funding in the area of migration; decides to reinforce the Asylum Migration and Integration Fund to fully cover the needs of the Union in the field of migration, notably to support Members States in improving integration measures and practices for migrants; notes, once again, that the Heading 3 ceiling is inadequate to provide appropriate funding to the internal dimension of those priorities, as well as to other priority ***programmes***, for example in the field of culture; considers that willingness of local authorities to do more than planned in their National ***Programme*** under shared management, to support the Union Resettlement ***Programme***, should be further supported through the direct management strand of the Asylum, Migration and Integration Fund (AMIF); 9. Insists that in the light of recent security concerns across the Union, funding under Heading 3 should also pay particular attention to measures which will lead to enhancing security of Union citizens; decides for this reason to reinforce agencies in the field of Justice and Home Affairs which, due to increased workload and additional tasks, have been facing shortage of staff and funding in the past ***years***; 10. Reiterates that part of the solution to the migratory and refugee crisis as well as to the security concerns of Union citizens lies in addressing the root causes of migration and devoting sufficient financial means to external instruments that aim at tackling issues PE626.971v01-00 6/15 PR\1161472EN.docx EN such as poverty, lack of employment, education and economic opportunities, instability, conflict and climate change; is of the opinion that the Union should make optimal use of financial means under Heading 4 which proved to be insufficient to equally address all external challenges; 11. Regrets that Parliament has not been duly involved in the discussions on the extension of the Facility for Refugees in Turkey (FRT); reiterates its longstanding position that new initiatives must not be financed to the detriment of existing Union external projects; maintains, while recalling its support for the continuation of the FRT, that, given the stretched situation under Heading 4 to respond to external challenges, including migration, the Union budget should contribute to the financing of the second tranche in the same proportion as for the first one, i.e EUR 1 billion, while the Member States should contribute EUR 2 billion to its financing; 12. Restores all cuts proposed by Council to the Draft Budget (DB) 2019 across all headings, with limited exceptions in Heading 4 and subheading 1b; fails to understand the reasoning behind the proposed cuts, for example those to Horizon 2020 and CEF, two ***programmes*** already affected by redeployments to EFSI, or majority of cuts to external policies; stresses that the logic behind Council’s cuts is not substantiated by the actual implementation figures and ignores the varying implementation patterns of certain ***programmes***; 13. Concludes that, for the purpose of adequately financing all pressing needs, and considering the very tight or inexistent margins under certain headings in 2019, all means available in the MFF Regulation in terms of flexibility will need to be deployed; expects that the Council will share this approach and that an agreement will easily be reached in conciliation, allowing the Union to rise to the occasion and effectively respond to the challenges ahead, particularly given that this ***year***’s conciliation will be the last ahead of the May 2019 European elections; 14. Sets the overall level of appropriations for 2019 at EUR 166 340 598 313in commitment appropriations and EUR 149 349 221 847in ***payment*** appropriations, representing an increase of EUR 721 243 411 in commitment appropriations compared to the DB 2019; Subheading 1a – Competitiveness for growth and jobs 15. Rejects Council’s unjustified EUR 794 million cuts to subheading 1a, which represent just over half of the overall Council cuts in commitments in MFF headings; notes that such cuts run counter to Council’s stated political priorities; is concerned moreover that they could hamper implementation of ***programmes*** that play a vital role in the creation of jobs and growth, which could have a negative impact on the economic recovery under way in the Union; 16. Points in that connection to ***programmes*** such as Horizon 2020 and CEF and the flagship space ***programmes***, such as Copernicus, which provide very strong European added-value; regrets the significant Council cuts in the Common Strategic Framework for Research and Innovation with an overwhelmingly negative impact on Horizon 2020 and especially regrets cuts in relevant budget lines such as Strengthening research in future and emerging PR\1161472EN.docx 7/15 PE626.971v01-00 EN technologies and Strengthening European research infrastructure; notes also that many of these ***programmes*** make an important contribution to the fight against climate change, and considers that this contribution should be strengthened; decides therefore to reverse all cuts made by the Council and, furthermore, to fully restore the original profile of the Horizon 2020 and CEF lines that were cut for the provisioning of the EFSI Guarantee Fund; 17. Recalls that Erasmus+ remains a highly valued and hugely popular ***programme*** promoting youth learning mobility, as demonstrated by the volume of applications received, which exceeds the funding available, and notes also that it helps foster a strong sense of European identity; deeply regrets that the 2019 draft budget for Erasmus+ falls well below Parliament’s expectations, failing to go beyond the ***programmed*** figures under the current MFF; considers it therefore essential to reinforce the education and training and youth strands of Erasmus +, as a corollary to the strengthening of the Youth Employment Initiative under subheading 1b; 18. Highlights yet again the fact that SMEs are an essential part of the Union economy and play a crucial role in job creation throughout the Union; believes that there is a need to create an SME-friendly business environment, as well as to support SME clusters and networks; notes, however, with deep concern the Council cuts to the SME instrument, which send a contradictory signal to businesses in the Union; considers that the Union budget can be a key tool in making SMEs more competitive and more innovative and in fostering the spirit of enterprise in the Union; recalls in this regard COSME and Horizon 2020; 19. Decides, therefore, to further reinforce, beyond the DB and the pre-EFSI profiles, those ***programmes*** that are key to boosting growth and jobs and tackling climate change and that reflect widely agreed Union priorities, namely Erasmus+, Horizon 2020 (including Marie Curie, leadership in space, European Research Council, SME Instrument), COSME, CEF and EaSI; 20. Increases therefore the level of commitment appropriations for subheading 1a above the DB by EUR 566 773 112 (excluding pre-EFSI restoration, compensation for the European Labour Authority proposal, pilot projects and preparatory actions), to be financed within the margin available and by a further mobilisation of the Global Margin for Commitments; 21. Expresses its intention to pay particular attention to the implementation by the Commission of the agreements found on the European Defence Industrial Development ***Programme*** and the European Solidarity Corps, which should be set out in the Amending Letter, to be issued by the Commission in October 2018; Subheading 1b – Economic, social and territorial cohesion 22. Recalls that youth unemployment rates remain unacceptably high in the Union; emphasises that, in order to address this issue, it is of importance to ensure proper funding of the Youth Guarantee schemes through YEI and the European Social Fund (ESF); welcomes the agreement on the need to provide fresh funding for YEI, and the inclusion of the corresponding appropriations in the DB 2019; considers nevertheless that, given the challenges and risks posed by youth unemployment, YEI should benefit from increased appropriations and therefore decides to bring YEI to EUR 580 million in commitments in PE626.971v01-00 8/15 PR\1161472EN.docx EN 2019; considers that this increase is in addition to the amount for YEI currently ***programmed*** for the 2014-2020 period; 23. Calls on the Member States to ensure that the implementation of cohesion policy ***programmes*** is accelerated to catch up with the delays; notes that even though the Council has not questioned the level of ***payment*** appropriations as proposed by the Commission, Parliament will carefully examine the Commission’s updated forecasts, to adjust the ***payment*** appropriations to real needs in order to avoid the reconstitution of a ***payment*** backlog at the end of the current MFF; 24. In line with the agreement reached on the revision of the Structural Reforms Support ***Programme*** (SRSP), agrees with the ***transfer*** of EUR 40 million in commitment appropriations and EUR 17,2 million in ***payment*** appropriations from subheading 1b to Heading 2; Heading 2 – Sustainable growth: natural resources 25. Recalls that the Commission’s proposal to increase appropriations to finance the European ***Agricultural*** Guarantee Fund (EAGF) needs is largely due to a significantly lower amount of assigned revenue being expected to be available in 2019; 26. Notes the Council’s cuts of EUR 310 million in commitment appropriations (-0,52 % compared to DB 2019) and EUR -328,13 million in ***payment*** appropriations (-0,57 % compared to DB 2019), but considers that the Commission’s Amending Letter should remain the basis for any reliable revision of EAGF appropriations and restores the DB levels accordingly, pending an examination of that Amending Letter in conciliation; 27. Decides to increase the funding for the emergency support in particular for pig-meat against the African swine fever in order to reduce the negative impact upon farmers and employees in the regions most affected by the disease; decides to express its strong support for the ***agricultural*** sector in the Union by increasing the appropriations for fruit and vegetables, in order to tackle the effects of the crisis in the sector and the effects of the Russian embargo, as well as for measures to tackle the effects of plaques xilella fastidiosa and the volatility of the price of olive oil; 28. Decides, in line with its Europe 2020 targets and with its international commitments to tackle climate change, to propose an increase of EUR 15,6 million above the level of the DB for climate-related actions; 29. Decides, in the light of the successful conclusion of the negotiations on the SRSP revision, to lift the reserve introduced by the Council on the amounts ***transferred*** from subheading 1b; 30. Increases therefore commitment appropriations by EUR 154,1 million, excluding pilot projects and preparatory actions, leaving a margin of EUR 190,8 million below the ceiling for commitments in Heading 2; Heading 3 - Security and Citizenship PR\1161472EN.docx 9/15 PE626.971v01-00 EN 31. Reiterates its long-standing conviction that the Heading 3 ceiling has proven vastly insufficient to adequately fund the internal dimension of essential challenges related on the one hand to internal security, and on the other hand to migration; 32. Expects the pressure on some Member States’ migration and asylum systems, as well as on their borders, to remain high in 2019, and is of the opinion that additional funding is needed in the field of migration, also in view of any future, unpredictable needs in this area; reinforces therefore the Asylum, Migration and Integration Fund as regards supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies, in particular to support Member States in improving integration measures for migrants, especially children and unaccompanied minors; 33. Welcomes the increase in commitment appropriations for ASIF in order to finance the new Dublin II legislation (assuming it is adopted by the end of 2018) and rejects the Council’s decision to move the corresponding appropriations into a reserve; 34. Underlines that internal security must remain one of the Union’s main priorities and stresses the role of the Internal Security Fund (ISF) as the key financial instrument to support Member States in the area of security, including in the fight against terrorism and radicalisation, serious and organised crime and cybercrime; decides therefore to increase budgetary appropriations of the ISF, also to strengthen support for border management and to provide assistance for victims of terrorist acts; 35. Points out the essential role played by the Union agencies in the area of justice and home affairs in enhancing cooperation between Member States to address the concerns of Union citizens; decides to increase budgetary appropriations and staffing of European Union Agency for Law Enforcement Cooperation (EUROPOL), European Union Agency for Law Enforcement Training (CEPOL), eu-LISA, European Union’s Judicial Cooperation Unit (Eurojust) and for the new European Public Prosecutor’s Office (EPPO); 36. Regrets Council’s arbitrary cuts of more than EUR 35 million in commitment appropriations to numerous ***programmes*** in the areas of culture, citizenship, justice and public health, despite these ***programmes***’ excellent implementation rates and already insufficient levels of financing that leave many high-quality projects unfunded; restores all lines at least to the level of the draft budget while proposing additional increases to relevant lines; 37. Stresses the value of Creative Europe in supporting the Union’s audio-visual and cultural sectors and insists that funding levels should match the ambitions of the ***programme***; calls for an increase in committee appropriations for the MEDIA and the Culture sub-***programmes***, inter alia to tackle low application success rates; also increases appropriations for multimedia actions and for strengthening the financial capacity of SMEs in the European cultural and creative sectors; 38. Recalls its support for the rights, equality, citizenship and justice ***programmes***; decides to increase commitment appropriations for instruments dealing with non-discrimination and equality in general, and specifically the Daphne ***programme***, and to fight gender-based violence and enforce women's and LGBTQI+ rights; PE626.971v01-00 10/15 PR\1161472EN.docx EN 39. Reinforces Heading 3 by EUR 127,75 million in commitment appropriations with respect to the draft budget, excluding pilot projects and preparatory actions, and proposes to finance these reinforcements by a further mobilisation of special instruments; Heading 4 – Global Europe 40. Stresses that the complex geopolitical challenges the Union is facing call urgently for a stronger Union external presence; emphasizes once again that the Union’s external action can only be credible if it is backed by sufficient financial resources; recalls that the funding needs greatly exceed the current size of Heading 4 and calls for appropriate room for manoeuvre in the event of unforeseen external crises; 41. In this respect, reaffirms, in line with its position expressed in its abovementioned resolution of 5 July 2018, that the current ratio of contribution to the FRT from the Union budget (EUR 1 billion) and Member States (EUR 2 billion) should be maintained for the financing of the second tranche of the FRT; decides therefore to reduce the contributions of the Union budget from EUR 1,45 billion to EUR 450 million; believes that the difference should be instead financed by Member States’ bilateral contributions; 42. Believes that promoting peace, security and justice in developing countries are paramount in addressing the root causes of migration and corresponding humanitarian challenges in the Southern Neighbourhood; underlines the importance of supporting good governance, democracy, the rule of law and vibrant civil society to effectively combat poverty over the long-term, and address the challenges of the climate change in developing countries; decides therefore to increase resources for the Development and Cooperation Instrument (DCI) and the Southern part of the European Neighbourhood Instrument (ENI) under its various strands, to reflect also the considerable stress under which ENI will continue to be in 2019; 43. Recalls that the Union has committed to comprehensively protect and promote the rights of the child in its external policy; stresses the importance of implementing the EU Guidelines for the Promotion and Protection of the Rights of the Child in European Union external relation; 44. Underscores the strategic importance of providing sufficient funding for the Western Balkans in order to consolidate their path towards accession; fails to understand the Council’s proposal to cut the allocation for political reforms, as these are the backbone of any democratic transformation; stresses the need for appropriate financial backing to the 2018-2020 Action Plan of the Western Balkan Strategy, and decides, consequently, to increase the allocation of Instrument for Pre-accession Assistance (IPA II) for the region; 45. Highlights that the situation in the countries of the Eastern Partnership represents also a significant challenge for the Union; is convinced of the importance of providing additional funding to support our neighbours’ reform efforts, contribute to increasing resilience and fostering peace and improving day to day life of the citizens of these countries; 46. Calls for enhanced Union support to the Middle East Peace process, the Palestinian Authority and UNRWA, in line with its resolution of 8 February 2018 on the situation of PR\1161472EN.docx 11/15 PE626.971v01-00 EN UNRWA1, in view of the worsening situation on the ground and the decision of the United States to drastically reduce its engagement; 47. Is convinced of the potential of people-to-people contacts and youth mobility, also as one of the key strategies to enhance the impact of the Union external action and its visibility among the public of partner countries; decided therefore to reinforce the contributions from DCI, ENI, IPA II, and Partnership Instrument to Erasmus+; 48. In line with the principle of conditionality, supports a reduction in the amount allocated to Turkey in all budget lines, in view of the continuing backsliding on the rule of law, democracy and human rights; at the same time, deems it necessary to further strengthen the direct support to civil society, as well as people-to-people contacts; 49. As a result, decides to reverse almost all of the Council’s cuts, to reinforce Heading 4 by EUR 425,4 million above the DB (excluding pilot projects and preparatory actions), while decreasing FRT and Turkey related lines and non restoring Council’s cuts with a total effect of EUR -1,24 billion, thereby resulting in a net difference of EUR -819,1 million below the DB in Heading 4; Heading 5 - Administration; Other headings - administrative and research support expenditure 50. Considers that Council’s cuts are unjustified and do not reflect the real needs; restores therefore the DB for all Commission administrative expenditure, including administrative and research support expenditure in Headings 1 to 4; Decentralised Agencies 51. Endorses, as a general rule, the Commission's estimates of the budgetary needs of agencies; considers, therefore, that any further cuts proposed by the Council would endanger the proper functioning of the agencies and would not allow them to fulfil the tasks they have been assigned; 52. Recalls the importance for the Union focusing on competitiveness for growth and jobs; considers, in this context, that additional appropriation and staff are needed for the European GNSS Agency (GSA) and the Agency for the Cooperation of Energy Regulators (ACER); welcomes the creation of the European Labour Authority (ELA); restores the substantial Council’s cuts in the appropriations for the European Supervisory Authorities (ESAs),while putting parts of their appropriations into reserve pending progress on the ESAs’ review; 53. In the context of the challenges the Union is still facing in terms of security, and bearing in mind the necessity for a coordinated European response, decides to reinforce the appropriations for the EUROPOL, CEPOL, EUROJUST, EPPO, and the European Union Agency for Network and Information Security (ENISA); 54. Expects the pressure on some Member States’ migration and asylum systems, as well as on their borders, to remain high in 2019, stresses that while the budgetary resources and 1 Texts adopted, P8\_TA(2018)0042. PE626.971v01-00 12/15 PR\1161472EN.docx EN the number of posts for the European Border and Coast Guard Agency (FRONTEX) and the European Asylum Support Office (EASO), proposed by the Commission and supported by the Council, seem adequate for the time being, the future needs of the agencies in terms of operational resources and staff will have to be closely monitored; 55. Reiterates its position that the 5 % staff reduction target has been successfully reached; considers that the new posts adopted in its position are needed to fulfil additional tasks due to new policy developments and new legislation; Pilot projects and preparatory actions (PP-PAs) 56. Recalls the importance of pilot projects and preparatory actions (PP-PAs) as tools for the formulation of political priorities and the introduction of new initiatives that have the potential to turn into standing Union activities and ***programmes***; having carried out a careful analysis of all the proposals submitted and taking into account the Commission's assessment of their respect of legal requirements and implementability, decides to adopt a balanced package of PP-PAs that reflects Parliament’s political priorities; Special instruments 57. Recalls the usefulness of special instruments to provide flexibility over and beyond the extremely tight ceilings of the current MFF and welcomes the improvements brought about by the mid-term revision of the MFF Regulation; calls for an extensive use of the Flexibility Instrument, the Global Margin for Commitments and the Contingency Margin in order to finance the wide range of new challenges and additional responsibilities that the Union budget is facing; recalls also the significance of the European Globalisation Adjustment Fund (EGF), the Emergency Aid Reserve (EAR) and the European Union Solidarity Fund (EUSF); ***Payments*** 58. Reiterates its concerns that, despite recent catching-up, under-execution in ***payments*** has reached record low in the past three ***years***, notably in subheading 1b; regrets that such delays prevent Union priorities and projects to deliver their full potential to citizens in a timely manner; points to the fact that, as a result, the DB leaves an unprecedented margin of EUR 19,3 billion below the ***payment*** ceiling; reinforces ***payment*** appropriations on those lines which are amended in commitment appropriations; Other Sections Section I - European Parliament 59. Maintains unchanged the overall level of its budget for 2019, in line with its resolution on it estimates of revenue and expenditure adopted by the plenary on 19 April 20181, at EUR 1 999 144 000; incorporates budgetary-neutral technical adjustments to reflect updated information which was not available earlier this ***year***; 1 Texts adopted, P8\_TA(2018)0182. PR\1161472EN.docx 13/15 PE626.971v01-00 EN 60. Notes that the level of estimates for 2019 corresponds to 18,53 %, which is lower than that achieved in 2018 (18,85 %) and the lowest part of Heading V in more than fifteen ***years***; 61. Notes that, due to the 2019 European Parliament election, expenditure will be higher in some areas, in particular in respect of Members who are not re-elected and their assistants, whilst savings, albeit of a lesser magnitude, will be generated in other areas as a result of the reduction in the volume of parliamentary business in an election ***year***; 62. Welcomes that the 2019 budget will include further instalments of substantial investments started back in 2016 with a view to significantly improving Parliament's security; points out that those projects cover various domains, mainly relating to buildings, i.e the security upgrade of the entrance, equipment and staff, as the iPACS Project, but also improvements in the field of cyber-security and communication security; 63. Reduces the establishment plan of its General Secretariat for 2019 by 59 posts (1 % staff reduction target), in accordance with the agreement of 14 November 2015 reached with the Council on the general budget of the European Union for the financial ***year*** 2016, in which Parliament's annual staff reduction measures are set to continue until 2019; 64. Welcomes the decision of 25 September 2018 of the General Court confirming the Parliament’s refusal to grant access to documents relating to MEPs’ subsistence allowances, travel expenses and parliamentary assistance allowances (Judgment in Cases T-639/15 to T-666/15 Maria Psara and Others v Parliament and T-94/16 Gavin Sheridan v Parliament); 65. Recalls that on 23 October 1997, in its resolution on the general budget for 1998, the European Parliament called upon its Bureau to request the Court of Auditors to investigate Parliament’s voluntary pension scheme, which led to the issuance of the Court of Auditor’s opinion no.

5/99 dated 16 June 1999 on the “Pension Fund and Scheme for Members of the European Parliament”; calls now on the Bureau to urgently request the Court of Auditors to produce another such opinion on the pension scheme and fund in 2019; 66. recalls that, in a note to the Bureau dated 8 March 2018, its Secretary-General accepted that the pension fund linked to the Member’s voluntary pension scheme “will exhaust its capital well before the end of the pension obligations and possibly already by 2024”; calls therefore upon the Secretary-General and the Bureau, while respecting fully the Statute for Members, to urgently establish with the pension fund a clear plan for the Parliament assuming and taking over its obligations and responsibilities for its Member’s voluntary pension scheme immediately after the 2019 elections; 67. Demands additional Union support for the parliamentary dimension of the WTO, in particular by an increased financial and personnel support to the responsible secretariat; 68. Calls for the upgrade of the European Science Media Hub, adopted in the 2018 budget, and for cooperation with television stations, social media and further partners in order to establish training purposes for young journalists, especially in relation to new scientific and technological developments and to fact-based, peer-reviewed news; PE626.971v01-00 14/15 PR\1161472EN.docx EN Section IV - Court of Justice 69. Restores the DB on all budget items cut by the Council, which are essential to the functioning of the Court, and restores the estimates for two budget items in order to enhance the Court’s ability to deal with increasingly high translation demands; 70. Restores the 16 posts and the related appropriations cut by the Commission in the DB to prevent any bottleneck that might be detrimental to the productivity of the courts in the context of new activities taken up by the Court and of continuous increase of the workload; considers that the creation of 16 new permanent posts for the support services, initially proposed by the Court and rejected by the Commission, should be granted; Section V - Court of Auditors 71. Restores the DB on all items cut by Council, in order to implement the work ***programme*** of the Court of Auditors and to deliver the planned Audit Reports; Section VI - European Economic and Social Committee 72. Restores the DB on all items cut by the Council; 73. Increases a number of lines above the DB in line with the European Economic and Social Committee’s own estimates; Section VII - Committee of the Regions 74. Restores the DB on all items cut by the Council; 75. Increases a number of lines above the DB in line with the Committee of the Region’s own estimates; Section VIII - European Ombudsman 76. Maintains unchanged the overall level of the Ombudsman’s budget for 2019 as proposed by the Commission in the DB; Section IX - European Data Protection Supervisor 77. Decides not to restore the DB in the line cut by the Council, due to a high increase of the total budget as compared to the previous ***year***; Section X - European External Action Service 78. Restores the DB on all lines cut by the Council; 79. Increases a number of lines above the DB in line with EEAS own estimates; 80. Restores the 28 posts + 5 more and related appropriations cut by the Council as it is a moderate staff increase that is justified by the EEAS’s significant new responsibilities, in particular those connected to Brexit (creation of a new Union delegation in London and a PR\1161472EN.docx 15/15 PE626.971v01-00 EN new unit in the headquarters) and the adoption of a number of initiatives in the field of security and defence in recent months. o o o 81. Instructs its President to forward this resolution, together with the amendments to the draft general budget, to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.

**Load-Date:** October 31, 2018

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[***Programme summary of Kazakh Khabar TV 'Itogi dnya' news 1500 gmt 13 Sept 18***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T87-4C71-JC8S-C04T-00000-00&context=1516831)

BBC Monitoring Central Asia Unit

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September 14, 2018 Friday

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**Length:** 632 words

**Body**

Summary of ***programme*** broadcast on state-owned Kazakh Khabar TV on 13 September at 15:00 GMT

Presenter: Murat Mukhametsaliyev

1. 0024 Kazakh President Nursultan Nazarbayev meets Turkey's largest entrepreneurs as part of his official visit to Turkey. Video shows Kazakh president speaking at a meeting; chief executive of a Turkish company speaking.

2. 0710 President Nursultan Nazarbayev also meets management of such Turkish companies as Yildirim Group, Koc Holding and Oyak Holding. Video shows meetings; Nazarbayev speaking.

3. 0913 President Nursultan Nazarbayev also meets his Turkish counterpart Recep Tayyip Erdogan during his official visit to Turkey. A number of documents are to be signed and joint news conference is to be held as a result of the meeting, report says. Video shows welcome ceremony; meeting.

4. 1125 A number of documents including agreement on the work of Kazakh and Turkish ethnic cultural centres, on military cooperation and protection of information in military sphere and a memorandum of cooperation in the area of ***agriculture*** have been singed during Nazarbayev's visit. Video shows signing ceremony; both leaders speaking at a news conference.

5. 1417 The Ministry of the National Economy presents a draft law on three-***year*** budget to the Majlis, lower house of parliament. Video shows MPs speaking; the minister speaking.

6. 1550 Sovereign debt of Kazakhstan rose by 704bn tenge since the beginning of the ***year***, Ruslan Beketayev, deputy finance minister, says at a meeting with members of the Senate. Video shows meeting; the official speaking.

7. 1651 The national currency, the tenge, has slightly strengthened against the US dollar at today's trade on the Kazakhstan Stock Exchange. The exchange rate amounted to 375.31 tenge per dollar. Video shows a graph.

8. 1708 Members of parliament present their report on the quality of regional roads. Video shows road repair process.

9. 1739 State Revenues Committee uncovered over 7,000 cases of illegal letting out of dwellings without ***payment*** of respective taxes, mostly in the cities of Almaty and Astana. Video shows blocks of flats; representative of the committee speaking.

10. 1819 Parents of some schoolchildren in the town of Aktobe complain that they are being forced to ***transfer*** their children from publicly funded schools to private ones due to shortage of places in state schools. Video shows interviews with parents.

11. 2127 The project on per capita financing of schools was launched on 1 September 2018 in 74 state funded and 11 private schools. No video.

12. 2135 The word 'Kazakhstan' on the national coat of arms will be spelled using Latin script according to recent changes made to the national standard. Video shows coat of arms; interview with a press secretary of the Committee on Technical Regulation and Metrology.

13. 2207 A contest of best performers of traditional musical instruments is held in the city of Astana. Musicians from 15 countries take part in the event. Video shows musicians performing and being interviewed; interview with a Kazakh cultural figure.

14. 2526 The Khabar Agency and Turkey's TRT Avaz sign protocol of cooperation on the exchange of content and co-production. Video shows meeting; interview with chairman of board of the Khabar Agency.

15. 2623 The report profiles a 10-***year***-old girl from the city of Astana who will participate in the final of the national stage of the Junior Eurovision-2018. Gala concert will be held on 22 September in Almaty. Video shows interview with a girl and her coach.

16. 2917 A group of intelligentsia of Aktobe Region meet with local authorities to discuss issues of proper upbringing of younger generation. Video shows meeting; regional governor speaking.

17. 3110 Presenter signs off.

Source: Khabar Television in Russian 1500 gmt 13 Sep 18

**Load-Date:** September 14, 2018

**End of Document**



[***Raiffeisen Bank Aval - Focus Ukraine: Monthly Economic Review, October 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TK7-DJK1-JDVR-03T6-00000-00&context=1516831)

Emerging Markets Brokers Reports - Central Eastern Europe

October 26, 2018 Friday 8:39 PM EEST

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**Body**

Highlights

Positive momentum of economic growth is likely to be maintained in 4Q18 and 1H19, considering the positive trends in private consumption and investment. However, a further slowdown of growth is almost imminent due to the transition to a state of structural deficit of banking liquidity, high interest rates as well as due to expected higher external and internal volatility

(To view the original document, please click on the link below:

[*http://reports.aiidatapro.com/brokers/Aval/FocusUkraine\_Oct2018en.pdf*](http://reports.aiidatapro.com/brokers/Aval/FocusUkraine_Oct2018en.pdf))

· Target budget deficit of below 2.5% of GDP can be achieved most likely by means of further under-spending and cuts of subsidies. Fiscal risks include unrealized targets in privatization and external borrowing plans (at least until now), as well as consistent underperforming on the revenue side

· The combined influence of seasonal, situational and psychological factors, which provoked UAH devaluation in Jul-Aug, somewhat weakened. Net sales of currency were intensified by exporters and population. As a result, the USD/UAH rate remained relatively stable in September

· Agreed gas price hike and 1st reading draft state budget 2019 have paved the way for a new $3.9bn Stand-By Arrangement (SBA) between Ukraine and the IMF with a less demanding structural reform agenda. Replacing the existing EFF ***program*** initially set to expire in March 2019, this 14-month ***program*** should help to reactivate official donor ***programs*** from the EU, the World Bank and opens up window opportunity for issuing new Eurobonds to international investors, which in turn should help to ensure macrofinancial stability in 2019

· Risk of higher inflation in 4Q18 is increasing under the combined pressure of supply and demand factors, which are aggravated by seasonal worsening of devaluation and inflation expectations. Amid growing turbulence on external markets, NBU might consider an additional key rate hike on October 25, but the probability of that is not high. In our opinion, real interest rates are already sufficiently high and the net effect of further tightening of monetary conditions on price dynamics may turn out to be negative (since downside domestic supply shocks may not be compensated by sufficient decrease in consumer demand)

ECONOMIC DEVELOPMENT

In 2Q18, real GDP growth accelerated from 3.1% to 3.8%yoy, being driven as previously by private consumption strengthening (+4.2%yoy in real estimations) and robust investment demand (+14.7%yoy). An additional factor of growth was the increase in government expenditures by 11.0%yoy after a -1.4% decrease in 1Q18.

Investment demand continued to intensify in 2Q18 (+30.9%yoy nominally). The lion's share of capital investments (93% out of UAH118bn) was directed to the acquisition of new tangible assets: buildings (41% or UAH49bn), machinery, equipment and inventory (33% or UAH39bn) as well as vehicles (14% or UAH17bn). Thus, the build-up and modernization of production capacity continues, which should serve as a reliable driver for increasing production volumes in the future. In 1H18, capital investments were 75.4% financed with the own funds of enterprises and organizations. This was facilitated by the growth of net profit (+7.1%yoy or UAH9.9bn compared to 1H17), rising share of profitable enterprises (from 68.8 to 71.7%) and overall high level of business expectations. However, profitability of enterprises slightly went down to 9.1% in 1H18 from 10.7% in 1H17, the index of business expectations fell to 18,3% in 2Q18 vs 20,6% in 1Q18, indicator of economic sentiment fell to 4% vs 8,8% in 1Q18.

In the sectoral aspect, main contributors to economic growth were ***agriculture*** (1.0pp out of 3.8% of real GDP growth), domestic trade (0.6pp), manufacturing (0.3pp), and operations with real estate (0.3pp). Index of key sectors output grew 3.2%yoy in August after decrease of -0.6%yoy in July, for the first 8 months of 2018 the growth totaled 3.0%. The leaders of economic development in Jan-Aug 2018 were chemical industry (+29.9%yoy), light industry (+8.0%), construction (+5.7%), and retail trade (+5.4%). A drop of 2.4% was observed in the freight sector, which could be partially explained by the tensions with Russia and deterioration of shipping in the Sea of Azov. Among the outsiders were also food industry (-1.9%yoy) and housing construction (- 0.4%yoy in Jan-Aug, -13.3%yoy in August 2018). Industrial production index in August and September 2018 for the first time since July 2017

showed a negative growth rate of -0.5% and -1.3%yoy respectively. However, the results for 9 months indicated the growth of 1.8%.

Considering the positive statistics on the factors of private consumption and investment demand, it is more likely that the positive momentum of economic growth will be maintained in 4Q18 and 1H19. However, on the medium-term horizon GDP growth slowing down is almost imminent because of: (1) constrained lending due to UAH liquidity shortage as a consequence of tight monetary policy, (2) deterioration of foreign economic conditions, in particular, due to the increasing intensity of "world trade wars", (3) cuts in government

expenditures due to more conservative fiscal policies, taking into account peak of government debt repayments and IMF requirements as well as (4) restrained inflow of foreign direct investments due to increased uncertainty in the next ***year*** of "double" elections.

INFLATION

In August, under the influence of UAH devaluation (4.1%mom) and the increase in fuel prices (+19.7%yoy), the CPI slightly rose to 9.0%yoy. The effect of seasonal price slowdown of raw products is almost exhausted (+1.7%yoy in Aug after +1.0% in Jul). Naftogaz also constantly hiked gas prices for enterprises (+21% in Aug and +9,5% in Sep). However, despite 1,9%mom growth, annualized inflation even decreased to 8,9% in September due to the effect of a high base of comparison. Amid rising fuel prices (+13.5% in Sep) and payroll growth (+25.5%yoy in Aug) inflationary pressure from supply side is likely to increase.

The same is observed on demand-side, where main inflationary pressure is created by robust domestic consumer demand, heated by the growth of nominal (+26.2%yoy in Aug) and real wages (+15.7%yoy), social aids (+27.8%yoy in 2Q18), by the expansion of consumer lending (+34.3%yoy in Aug) and significant remittances from labor migrants (USD6.35bn in Jan-Jul). Real disposable income increased by 9.7%yoy in 2Q18, and the growth in disposable income per capita amounted to 22.9% (UAH 13,179).

We believe there is limited scope for boosting pre-election spending due to budgetary constrains. However, the draft budget for 2019 approved by the Ukrainian government on September 14 contains a further hike of minimum wage from UAH 3,723 to 4,173 from 01.01.2019. Sustained consumer demand is evidenced by growth in retail sales (6,9%yoy in Sep) and passenger turnover (3.3%yoy in Aug vs 2.8%yoy in Jul 2018).

Labor market statistics testifies to maintaining the uptrend in wages: the ILO unemployment rate is gradually decreasing (-1.4pp to 8.3% in 2Q18 compared to 1Q18), while the number of vacancies has increased by 1.6 times (from 50.4 to 82.4 thousand) since the beginning of 2018. According to Ukraine's Minister of Foreign Affairs Pavlo Klimkin, approximately 1 million of Ukrainians leave the country every ***year***. Such a high migration aggravates the formation of labor shortage.

Gfk Consumer sentiment index remained elevated (62.6p. in Sep, +2.3p. mom). So were the inflation expectations of households, who projected CPI at 14.9% in the next 12 months since Sep18 (13.6% in Aug). Financial analysts were more conservative, but their CPI expectations were also still well above the band targeted by the NBU. The Government's decision to rise retail gas prices for population by another 23.5% from November will lead to an increase in the consumer price index. The impact of this factor on the price dynamics will be partially offset by some "cooling down" of consumer demand due to the increase in expenditures for communal services. However, the effect of this compensator may be neutralized in the case of substantial subsidies ***program*** expansion.

Therefore, in our "baseline scenario" under the influence of the abovementioned factors, hikes in gas and fuel prices and amidst seasonal devaluation, we expect a slight acceleration of price rising in 4Q18. But tight and independent monetary policy of NBU, we believe, should keep prices under control and bring CPI to 9.0% by the end of 2019. The key condition for our base-case scenario, though, is a successful continuation of cooperation with the IMF, which will make it possible to obtain related funding from other financial sources.

FISCAL SECTOR

The state budget in Jan-Aug 2018 was implemented with a surplus of UAH11.8bn (the surplus in August alone amounted to UAH25.2bn). The surplus was formed mainly due to the underfunding of expenditures (-8,5% or UAH51.1bn less than planned for general fund in Jan-Aug 2018). Among the most underfunded were items of expenditures related to healthcare (-47.5% less than planned or UAH6.3bn), economic activity (-35.6% or UAH9.1bn), cultural and physical development (-31.3% or UAH2.1bn). In absolute terms, the maximum lag behind the plan is observed in relation to funding of general state functions (UAH11.2bn) and inter-budget ***transfers*** (UAH8.3bn).

Despite the growth of state budget revenues by 15.2%yoy in Jan-Sep 2018, the lag behind planned indicators amounted to UAH18.9bn or 2.7%. However, due to revenues from quarterly taxes, increasing of customs revenues (+3.3% over plan in Aug), and the last tranche of profit ***transfer*** from the NBU (UAH6.6bn) the balance on Single Treasury

account increased to UAH27.1bn in early September and then slightly reduced to UAH21.4bn during the month. The growth of customs ***payments*** from imports ($8.4bn or +15%yoy in Jan-Aug 2018) was supported by devaluation processes and strong domestic demand for imported goods.

Attraction of $648mn from private investors in August fully covered the ***payments*** of UAH562.3mn on Eurobonds in September. As of 01.09.2018, the balances of temporarily free funds of local budgets on deposit accounts at state banks amounted to UAH15.1bn, which is 2% more than a ***year*** earlier.

Taking into account the failures of the privatization plan (only UAH0.08bn was attracted out of UAH10.7bn planned for Jan-Aug 2018) and of the ***program*** of external borrowing (UAH19.4bn out of UAH56bn planned for Jan-Aug 2018), as well as consistently underperforming the revenue side of the budget, the target deficit of below 2.5% of GDP can be achieved most probably by means of further under-spending and cuts of subsidies.

EXTERNAL SECTOR AND FX MARKET

In August 2018, an outflow of $601mn from current account was fully offset by a $625mn inflow on the financial account side (mainly due to obtaining above-mentioned "bridge" loan of $648mn by the government). As a consequence, the general result of balance of ***payments*** in August and for the whole 8 months of 2018 remained positive at the level of $27mn and $164mn respectively.

The export of Ukrainian ***agricultural*** products in Jan-Aug 2018 grew by $65.6mn yoy, reaching $11.5bn (37.3% of total exports of Ukraine). Currency earnings of metal exporters rose by 28%. But in general in JanAug, exports rose by only $2.9bn (or 11.6%yoy), while imports grew by $4.7bn (or 15.3%yoy). As a result, the trade deficit reached $7.3bn, which is 32.2% or $1.8bn more than in the same period of 2017. In general, the current account deficit increased by 2.5 times yoy (or $1.3bn) in JanAug 2017 to $2.1bn. This corresponds to 2.6% of  DP.

The net inflow of foreign direct investments in August amounted to $176mn (-7.9%yoy), and in total for Jan-Aug to $1.4bn (-27.3%yoy).

The aggregate turnover in the cash and non-cash segments of Ukrainian FX market (including NBU currency interventions) in August 2018 reached $8.3bn - the maximum in the entire history of observations from 2015. Purchases by population from banks amounted to $1.1bn, which is also an absolute record. To reduce excessive pressure on the currency market, the NBU sold $621mn in August 2018. As a result, the volume of international reserves decreased to $17.2bn as of 1 September 2018.

However, in September the aggregate influence of seasonal, situational and psychological factors, which provoked UAH devaluation in Jul-Aug, somewhat weakened. On the positive side was the arrival of the IMF mission to Ukraine. As a result, exporters have intensified sales of currency earnings. In the cash segment of FX market, net sales of foreign currency by the population also increased to $215mn. As a result, the USD/UAH rate stabilized in the range of 28.02-28.50. Extended supply of foreign currency in September allowed NBU to make a net purchase of $50.3mn worth foreign currency. Nevertheless, due to significant repayments of the state debt, the volume of international reserves decreased in September by 3.4% mom (or $592mn) to $16.6bn. Available reserves cover only 2.8 months of future imports.

According to the GFK Ukraine poll, devaluation expectations of the population in August have seasonally worsened, fueled additionally by delay in IMF decision. However, judging by dynamics of Ukrainian Eurobonds yields, of 5Y CDS quotes and of UAH FX rates, market participants seems to be optimistic in the success of new IMF ***program*** and in receiving of other international financial assistance.

IMF TALKS

On Friday 19 Oct, after 1.5 ***year*** of negotiations - the last tranche was disbursed in April 2017 - Ukraine finally reached another staff level agreement with the IMF. This should unlock long awaited funds not only from the IMF but also from the EU, the World Bank and opens a window to issue new bonds to international investors. The fund agreed on a new 14-month "bridge" IMF Stand-By Arrangement (SBA) of $3.9bn, replacing the previous, stale 4-***year*** Enhanced Fund Facility (EFF) ***program***. The agreement should help to ensure macro-financial stability in 2019, when both presidential (end-March) and parliamentary elections (October) with rather uncertain outcome are to be held. The short duration of the ***program*** implies that Ukrainian authorities have to return to the negotiation table in late 2019, to sign a follow-up arrangement, possibly another SBA, with the IMF.

The IMF agreement should substantially ease the external financing pressure on the Sovereign in the election ***year*** 2019, possibly enabling the NBU to keep FX reserves stable or even slightly increase them. Around $6bn of external public debt ***payments*** are coming due in 2019 for Ukraine. Besides the IMF funds, the ***program*** is expected to unlock additional $0.8bn from the World Bank, EUR1bn from the EU, and around USD 2bn of Eurobonds in the near term.

The SBA is subject to approval by the IMF Executive Board and is linked to final parliamentary approval of the Ukrainian state budget for 2019 in line with IMF recommendations. Currently planned budget deficit for 2019 is 2.3%, which is quite conservative. However, certain issues could arise due to insufficiently allocated funds for subsidies taking into account the hike in gas price for households. Nevertheless, this ***year***, the budget process is on schedule and we do not expect problems for the ***program***'s approval to arise from this issue.

Taking into account that the draft budget for the second reading should end on November 20, and in the third reading and final approval until December 1, in our baseline scenario, we expect the final approval of the SBA by the end of 2018 and the disbursal of the first tranche of funding in early 2019. Possibly, the $3.9bn will be divided into two approximately identical tranches with a half-***year*** lag. Thus, the first tranche would possibly amount to $2bn - but there is still no official confirmation for this distribution. The IMF's consent on a compromise level of gas price raising (23.5% instead of the demanded 40-60%), as well as provision of funding to the country during the election process, demonstrates IMF's sustained support for further structural reforms in Ukraine.

There is no official information available on conditions and prior actions for the new SBA. But the IMF Press Release states, that the new SBA will focus in particular on continuing with fiscal consolidation and reducing inflation, as well as reforms to strengthen tax administration, the financial sector and the energy sector. It has yet to be revealed what this it exactly

means. But unlike EFF, which usually has a strong focus on structural reforms to address institutional or economic weaknesses, SBA instead usually focuses more on quantitative performance criteria (for example, targets for international reserves and government deficits or borrowing). Thus, we would be surprised by the emergence of a large number of new

structural requirements in the new ***program***. Thus we estimate the following SBA blueprints:

·"fiscal consolidation" could mean 2.5% state budget deficit in 2019 + mechanism for the monetization of subsidies - this is nothing new;

·"reducing inflation" could mean continuation of inflation targeting - this as well is nothing new;

·"strengthen tax administration" could mean split of the State fiscal service into the tax and customs services - this is already in progress;

·"strengthen financial sector" could mean continuation of the cleanup of the financial sector and preserving financial stability;

·"strengthen energy sector" could mean implementation of declared increase in household gas and heating tariffs to reflect market developments while continuing to protect low-income households.

MONEY MARKET AND NBU MONETARY POLICY

After a significant decline in August, the total liquidity in UAH in the banking system during September increased by 6.1% to UAH77bn. This was caused mainly by the ***payments*** from the Single Treasury account to the accounts of enterprises (in particular, in the form of VAT refunds), as well as by the expansion of the UAH supply due to the prevalence of currency purchases and refinancing loans by the NBU. Despite significant intra-month fluctuations (in the range from UAH40.7bn to UAH57.0bn), the balances on correspondent accounts of banks in September rose by only UAH3.7bn to UAH52.9bn. Investments in NBU certificates of deposit did not change notably (+UAH0.72bn only). Despite this increase, the average level of UAH liquidity in Sep 2018 remained UAH5.5bn or 6.8% lower than a ***year*** earlier. This generally corresponds to the emerging trend of liquidity surplus reduction. Within

the framework of the inflation targeting policy, the NBU has significantly narrowed the main channels for UAH emission:

· the positive balance of NBU operations to support banks' liquidity in JanSep 2018 was by 19.3% (UAH11.7bn) lower than in the same period of 2017;

· the volume of government bonds in the NBU portfolio gradually decreases due to their planned repayment (-4%yoy in September or UAH14.7bn YTD);

· net purchases of foreign currency by the NBU during the first 9 months of 2018 decreased by 56.7%yoy (-$0.8mn or -UAH21.5bn);

· the ***transfers*** of NBU's profits to the state budget in 2018 exceeded the figure of the previous ***year*** by only UAH236mn.

As a result, the increase in the monetary base and money supply in August 2018 was 11.7%yoy and 11.3%yoy, respectively. At the same time, according to our estimates, the growth of nominal GDP was twice as much. The macroeconomic forecast of the NBU contains even more modest increase in the monetary base and money supply (+6.2% and 8.7%, respectively). At the same time, nominal GDP growth during 2019 is forecasted at 11.1% amidst a constant velocity of money circulation. The last NBU decision in Sep18 to hike the key rate was the sixth since Sep17, as a result of which it grew from 12.5% to 18%. Last hike in key rate was explained by the NBU as a need to reach the inflation target of 4-6% by end-2019 amidst significant fundamental inflationary pressures and risen external uncertainties. We agree that under the combined pressure of supply and demand factors, which is aggravated by seasonal worsening of devaluation and inflation expectations, the risk of inflation acceleration is increasing. Amid growing turbulence on the external markets the probability of additional rate hike on October 25 by the NBU cannot be fully ruled out.

However, in our "baseline scenario" for 2018 the key rate remains on the current level. In our opinion, real interest rates are already rather high and the net effect of further tightening of monetary conditions on price dynamics in the current economic realities may turn out to be negative.

In particular, we expect further reduction of liquidity surplus of the banking system and the transition to a state of structural deficit. It is unlikely that within the new operational design of the monetary policy refinancing loans become a crucial source of funding for banks. Rather it will remain the source of an emergency cover for liquidity gaps up to 2 weeks. Thus, we expect a rise in deposit rates with further ***transfer*** to lending rates. As a result of a small margin, the response in rates for corporate loans will be more significant than in rates for household loans. This may adversely affect the volume of corporate loans and operating costs of enterprises, while there could be no significant impact on lending to private individuals and consumer demand. Despite the high level of real interest rates, we also do not expect a noticeable increase in interest from foreign investors due to ambiguity of the future Ukrainian political landscape.

So, if an increase in deposit rates will not significantly stimulate the propensity of population to save, negative supply shocks amid a lack of compensators on the demand side can lead to a hike of inflationary pressures.

BOND MARKET

In the period from 28.08.18 on 22.10.18, Ukraine's Ministry of Finance attracted to the budget UAH2.75bn, $0.7bn, and EUR0.03bn at the primary auctions for placement of government bonds. The bulk of the funds was raised through the placement of short-term UAH and foreign currency govvies. The Ministry of Finance once again had to hike yields for all terms of both UAH and foreign currency T-bills. This is due to a decrease in liquidity in the banking system, the increased demand of the Ministry for funding as well as the presence of some offers for selling government bonds in the secondary market, which were more attractive than the rates at primary auctions.

As a result, in the secondary market of government bonds yields also continued to increase over the entire length of the curve. Currently rates for UAH T-bills are in the corridor from 17.00 to 21.30%. In contrast to the secondary market of UAH govvies, where the growth of yields was observed both on bid and offer sides in approximately equal proportions, on the

secondary market of foreign currency govvies, yields increased mainly on the bid-side, while on the offer-side they grew only slightly. This effect can be explained by the fact that the bonds placed by the Ministry of Finance with higher yields did not yet have time to "enter" the secondary market.

Over the past month, the portfolio of government bonds owned by non-residents decreased by UAH250.7mn and as of 22.10.2018 amounted to UAH 7,165.1mn.

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**End of Document**



[***Budget 2019: The key points***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TFK-KDP1-F16V-S0GG-00000-00&context=1516831)

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**Section:** NEWS

**Length:** 1365 words

**Highlight:** Budget 2019: The key points

**Body**

Housing

Government allocating a total of €2.3bn to the housing ***programme*** for 2019. €1.25bn allocated for the delivery of 10,000 new social homes through a combination of construction, acquisition and leasing.

An extra €121m for the Housing Assistance ***Payment*** (HAP) to provide an additional 16,760 new tenancies next ***year***.

€60m extra in capital funding, much of which will fund additional emergency accommodation and for additional family hubs.

€30m is being provided for homelessness services.

€100m for Serviced Sites Fund to support local authorities in bringing forward lands for subsidised, more affordable housing.

This fund will be increased to to €310m over three ***years***.

The planned funding is increasing from €20m to €89m, facilitating the delivery of around 6,000 affordable homes over the lifetime of the fund.

Rental Sector

Mortgage interest relief for landlords will rise to 100% from January 1.

Health

An increase of €1.05bn in Health funding for 2019 bringing the health budget to €17bn.

€25 increase in the weekly income threshold for GP visit cards.

50 cent reduction in prescription charges from €2.00 to €1.50 for all medical card holders over the age of 70.

€10 reduction in the monthly Drugs ***Payment*** Scheme threshold from €134 to €124.

€84m for Mental Health Services.

National Treatment Purchase Fund (NTPF) to get an extra €20m.

€150m more for disability services bringing the total funding to €2bn.

Old reliables

The excise duty on a packet of 20 cigarettes will rise by 50 cents, bringing the cost of a packet of cigarettes to €12.70.

Social welfare ***payments*** and allowances

In addition to a €5 per week increase in all weekly social welfare ***payments*** from next March, the Christmas bonus ***payment*** will be fully restored to all social welfare recipients this ***year***.

A new paid parental leave scheme will be introduced in November 2019 to provide two extra weeks’ leave to every parent of a child in their first ***year***. The Government intends to increase this to seven extra weeks over time.

From March the earnings disregard for the One Parent Family ***Payment*** will increase and a maintenance disregard for the Working Family ***Payment*** will be introduced.

The Qualified Child ***Payment*** of €2.20 per week in respect of under 12s and €5.20 per week in respect of over 12s, as well as a €25 increase in Back to School Clothing and Footwear Allowance rates.

Education

€10.8bn for the Department of Education and Skills, an increase of 6.7%, to allow for almost 1,300 additional posts in schools in 2019. The Government is also increasing the standard capitation rate per pupil by 5%.

950 Special Needs Assistants to be recruited in 2019, bringing the total number to over 15,900.

An additional €196m for capital in Education in 2019 to support the creation of up to 18,000 additional permanent school places and 5,000 replacement places and to facilitate the further upgrade of ICT infrastructure in schools and provide €150m for investment in Higher Education, Further Education & Training, and Research.

Business and SMEs

A Future Growth Loan Scheme for SMEs and the ***agriculture*** and food sector is being launched providing up to €300m.

Over €110m for Brexit measures across a number of Departments, including funding for essential customs requirements and a range of other targeted measures.

As part of the National Development Plan, a Disruptive Technologies Innovation Fund established, which makes €500m available for co-funded projects involving enterprise and research partners over the period to 2027.

Corporation Tax

12.5% rate remains unchanged.

New Controlled Foreign Company (CFC) rules, in line with the Anti-Tax Avoidance Directive (ATAD), which will apply for accounting periods beginning on or after 1 January 2019.

Tourism and services sector

Increase in rate of VAT in the tourism sector to 13.5% from January 2019.

Capital Acquisitions Tax

Increase in the tax-free threshold that applies to ***transfers*** between parents and their children from €310,000 to €320,000.

Film industry

Film corporation tax credit will be extended beyond the current end date of 2020, until December 2024.

Tax Relief for Start-up Companies

Extending the three-***year*** tax relief for certain start-up companies until the end of 2021.

Work will begin on the regulation of crowdfunding in Ireland.

Publications

Retaining the 9% rate for newspaper publications and reduction in the rate for electronic publications from 23% to 9%.

Betting

Increasing the tax from 1% to 2% with betting duty on the commission to increase from 15% to 25% with effect from January 1.

Climate change

Additional climate related measures include €103.5m for improvements in grant and premium rates for planting forests.

Introduction of the Beef Environmental Efficiency Pilot (BEEP) to further improve the carbon efficiency of beef production.

€70m for the Targeted ***Agriculture*** Modernisation Scheme (TAMS).

Additional funding of €70m for the Environment and Waste Management ***Programme***.

Extending VRT relief for hybrid vehicles until end of 2019.

Providing for a 1% surcharge for diesel vehicles to apply across all VRT bands.

To encourage the uptake of gas-propelled commercial vehicles as an alternative to diesel a new accelerated capital allowances scheme for gas-propelled vehicles and refuelling equipment is being introduced.

***Agriculture*** and rural

€60m for Brexit related supports will be provided to improve resilience in the farm sector.

Renewing the existing stock relief measures for a further three ***years***.

Extending income averaging to farms with off-farm trading income.

Providing a three-***year*** extension of the Young Trained Farmer stamp duty relief, which was due to expire at the end of this ***year***.

An additional €53m to fund the first round of projects under the new Rural Regeneration and Development Fund.

Funding for the PEACE ***programme*** to support economic and social stability in the Border region due to Brexit.

Crime and Justice

Increase in budget of An Garda Síochána by €60m (3.5%) to allow for recruitment of up to 800 gardaí and to drive reforms in the force.

An additional €60m to Justice to be used to provide additional asylum accommodation, to widen the Magdalene scheme, fund reforms within the Department of Justice and Equality and the Courts Service, address pressures on Criminal Legal Aid and in Prisons and respond to the demands faced by the Office of the Data Protection Commissioner in its EU-wide role.

Global Aid

Overseas aid set to increase by almost €110m.

Sport and Culture

Retaining 9% VAT rate for sporting facilities.

Increased funding for Culture, Heritage and the Gaeltacht to facilitate the planning and implementation of the department's ten-***year*** Capital Plan.

There will be an increase in support for arts and artists via the Arts Council of Ireland and the Creative Ireland ***Programme***, as well as additional restoration and development works across heritage.

Children

Funding for the child and family agency Tusla to increase by over €30m to just over €786m.

Funding for early learning and childcare will increase by just under €90m to €574m to support the ECCE Pre-School ***Programme*** and the ongoing development of the Affordable Childcare Scheme.

The income thresholds for the Affordable Childcare Scheme will increase in net terms, the base income threshold is being raised from €22,700 to €26,000; the maximum income threshold will go from €47,500 to €60,000; and the multiple child deduction will increase from €3,800 to €4,300.

Tax and USC

Reduction in the third rate of the Universal Social Charge (USC) from 4.75% to 4.5%.

Increase in the entry point to the higher rate of income tax for all earners by €750.

From 1 January hourly minimum wage to increase to €9.80, the second USC rate band will be increased from €19,372 to €19,874.

The weekly threshold for the higher rate of employer’s PRSI will be increased from €376 to €386.

Increase to Home Carer Credit of €300.

For self-employed workers, the Earned Income Credit will be increased by a further €200 to €1,350.

Rainy Day Fund

The Government will establish a Rainy Day fund of €1.5bn. The fund will be supplemented with an annual contribution of €500m starting from next ***year***.

The minister announced some of the "historically high levels of corporation tax" will be set aside for the fund.

**Load-Date:** October 10, 2018

**End of Document**



[***UN urges donors to set aside N. Korea political issues***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S3B-1BS1-DY93-M15N-00000-00&context=1516831)

Agence France Presse -- English

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**Dateline:** Pyongyang, North Korea, April 12 2018

**Body**

The United Nations was able to help barely 15 percent of the North Koreans it aimed to support with basic food needs last ***year***, its top official in Pyongyang said Thursday, as donor funding dried up in the face of political tensions.

The implementation of UN Security Council sanctions also hit humanitarian work in the country, with aid supplies and financial ***transfers*** delayed or stopped, UN resident coordinator Tapan Mishra told AFP.

"We have roughly 40 percent of the population that are in need of humanitarian assistance," Mishra told AFP. "10.3 million people in this country need help."

The isolated North industrialised rapidly following the end of the Korean War and for a time was wealthier than the South. But funding from Moscow came to an end with the collapse of the Soviet Union, which was followed by a crippling famine and chronic economic mismanagement.

Under current leader Kim Jong Un it has made rapid progress in its nuclear and ballistic missile ***programmes***, earning itself multiple sets of UN Security Council sanctions, with more measures imposed unilaterally by the US, EU, South Korea and others.

The impoverished North has been frequently condemned by the international community for decades of prioritising the military and its nuclear weapons ***programme*** over adequately providing for its people -- an imbalance some critics say the UN's aid ***programme*** encourages.

The latest sanctions remain in place despite a rapid diplomatic rapprochement on the peninsula, with a North-South summit due later this month ahead of talks between Kim and US President Donald Trump.

Kim has also quietly introduced some market reforms under a policy of simultaneously developing the economy and the military, with its estimated growth rate rising -- the North itself does not publish the statistic -- but it remains deeply poverty-stricken.

"Undernutrition continues to be a serious concern with more than one quarter of the children stunted due to inadequate nutritious food, people struggling to have basic access to facilities including health, a large proportion of the population lives without a reliable source of safe drinking water, almost a quarter without basic sanitary facilities," Mishra said.

- 'Delink geopolitics' -

The UN sought $114 million from donors last ***year*** for food security, nutrition, health, and water and hygiene, but received only $31 million.

Out of 4.3 million people it targeted for food assistance, only 660,000 received help -- just over 15 percent.

"We did not have the funding to support all the need, so we were only able to provide this," Mishra said, adding he had not previously seen a similar statistic during his career.

A higher proportion, two million out of a targeted 2.5 million, received nutritional support, which is cheaper to provide.

But he urged donors to delink geopolitical considerations from humanitarian decision-making, saying that "even in war", humanitarian principles have always sought to prioritise those in need.

"Humanitarian considerations should be separate," he said, "regardless of all the geopolitical issues".

The UN this week launched its "Needs and Priorities" assessment for North Korea this ***year***, seeking $111 million in funding.

In the foreword to the document, Mishra, who is Indian, wrote: "The geopolitical environment has meant that the situation for many people in the country has been largely forgotten by the rest of the world."

- Tractors stopped -

The sanctions imposed on the North were not intended to affect civilians or restrict humanitarian activities, he added, but in practice aid supplies and ***payments*** were "often significantly delayed and disrupted, notably due to the perception of risk of violating the sanctions by banks, suppliers and officials".

Even hand-driven tractors provided by the UN's Food and ***Agriculture*** Organization had been held up at the border, he told AFP.

Experts say that North Korea needs to produce around 6.5-6.7 million tonnes of food to feed its population, but usually grows around one million tonnes less than that, leading to chronic shortfalls.

Aid agencies used to class all those who relied on the country's Public Distribution System -- 18 million people -- as facing food insecurity.

The state-controlled ration usually provides far less than its goal of 573 grammes of food a day. But North Koreans also have access to other sources of food, such as private markets and land plots.

Under the international standards of the FAO's State of Food Security and Nutrition in the World report, 10.3 million North Koreans are now considered to be undernourished.

The North faces geographical challenges -- less than 20 percent of its land is suitable for ***agriculture***, with most of the rest made up of mountains and forest, and it is sometimes hit by droughts and floods.

But its ***agriculture*** is officially still run on a co-operative farm system and crop yields are relatively low.

It has benefited from few of the global advances in ***agricultural*** technology, fertilisers and seeds of recent decades. Such assistance would be considered development aid rather than humanitarian, and so is not possible under sanctions.

**Load-Date:** April 13, 2018

**End of Document**



[***Government of Telangana Entities: Provisional [ICRA]A(SO)(Stable) rating reassigned***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T0S-CFT1-F19S-P1KT-00000-00&context=1516831)

SeeNews Debt

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**Byline:** SeeNews

**Body**

Government of Telangana Entities

August 09, 2018

Summary of rated instruments Instrument\* Previous Rated Amount(Rs. crore) Current Rated Amount (Rs. crore) Rating Action

Long-term Debt ***Programme*** (Proposed)

5,000

5,000

Provisional [ICRA]A(SO) (Stable); Reassigned Total 5,000 5,000

\*Instrument details are provided in Annexure-1

Rating action

ICRA has reassigned the Provisional [ICRA]A(SO) (Stable) rating to the proposed Rs. 5,000-crore long-term debt ***programme*** to be raised by various entities of the Government of Telangana (GoTS), in line with ICRA's policy on provisional ratings.

Rationale

ICRA had initially assigned a Provisional [ICRA]A(SO) [pronounced as Provisional ICRA A Structured Obligation] rating to the Rs. 5,000-crore proposed long-term debt ***programme*** to be raised by various entities of the GoTS in October 20151. In August 2016, a Provisional [ICRA]A(SO) rating was assigned to the proposed Rs. 750-crore bond ***programme*** of Telangana Drinking Water Supply Corporation Limited (TDWSCL). This was to form the first tranche of the proposed Rs. 5,000-crore debt ***programme*** to be floated by the GoTS Entities.

In line with ICRA's policy on assigning provisional ratings, ICRA had reviewed and had extended the validity of the rating assigned to the long-term debt ***programme*** to be raised by various entities of the GoTS2 by 120 days on December 4, 2017. Subsequently, on December 20, 2017, ICRA had reinstated3 the size of the Provisional [ICRA]A(SO) (Stable) rating to the proposed long-term debt ***programme*** to be floated by the GoTS Entities to Rs. 5,000-crore from Rs. 4,250-crore, following the withdrawal of the Provisional [ICRA]A(SO) (Stable) rating assigned to the Rs. 750-crore proposed long-term bond ***programme*** of TDWSCL, at the request of the GoTS4.

The above ratings are provisional and would be converted into final upon execution of the necessary transaction documents being in line with ICRA's expectations. However, the debt is yet to be placed.

For now, ICRA has reassigned the Provisional [ICRA]A(SO)/Stable rating to the captioned debt ***programme***, in line with ICRA's Policy on Provisional Ratings. ICRA will continue to review any update regarding the issuance of the said debt ***programme***.

The rated debt ***programme*** will be unconditionally and irrevocably guaranteed by the GoTS over the entire tenure of the instruments. The rating derives credit strength from the unconditional and irrevocable guarantee to be extended by the GoTS, prior to the issuance of the rated instrument, and a structured ***payment*** mechanism, which will include an escrow

1 For detailed rating rationale on Government of Telangana Entities, click here for referring to the release published on ICRA website

2 For detailed rating rationale on Government of Telangana Entities click here, for referring to the release published on ICRA website

3 For detailed rating rationale on Government of Telangana Entities click here, for referring to the release published on ICRA website

4 For detailed rating rationale on Telangana Drinking Water Supply Corporation Limited, click here for referring to the release published on ICRA website

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account to be monitored by a trustee. As a result, the rating assigned to the proposed debt ***programme*** reflects the credit profile of the GoTS, as well as the integrity of and expected adherence to the structured ***payment*** mechanism by the entity, raising debt on the strength of the Government guarantee.

Outlook: Stable

The stable outlook reflects ICRA's expectation that the GoTS will continue to maintain a healthy revenue profile, aided by superior own-tax effort and access to Central ***transfers***, its fiscal deficit would remain within the Finance Commission (FC)-recommended norms and its leverage levels as a proportion of the state's own tax revenues (SOTR) would remain moderate.

Key rating drivers

Credit strengths

Above-average per capita income - Reflecting a large and vibrant services sector and a strong manufacturing base, Telangana's per-capita income has consistently been higher than the national average.

Healthy own tax effort - A high per capita income, along with healthy consumption levels, have contributed to favourable own tax effort (SOTR as a proportion of gross state domestic product or GSDP; 7.3% of GSDP in FY2017), thus boosting the revenues of the state government.

Favourable quality of expenditure - In the Revised Estimates (RE) for FY2018, the GoTS' quality of expenditure, defined as capital outlay and net lending as a proportion of total expenditure, was estimated at 19.0%, which was favourable compared to many other states. In addition, at 3.3% of the GSDP in FY2018 RE, its capital outlay and net lending exceeded the norm of 3.0% of GSDP as well as the performance of many other states.

Credit challenges

Substantial spending on welfare-oriented schemes - At 12.1% of GSDP in FY2017, the revenue expenditure of the GoTS was higher than several other states. This trend partly reflects the spending on various social and welfare schemes, which have been implemented by the state government since June 2014. In its FY2019 budget, the GoTS has budgeted a substantial Rs. 12,000.0-crore for the investment support to farmers in FY2019, wherein the Government will provide Rs. 4,000.0 per acre per crop for two crops to the farmers in the state.

Relatively higher guarantees enlarge estimated leverage levels - While the GoTS' debt5 (as estimated by ICRA) as a proportion of GSDP in FY2017, was lower than the implicit norm of 25% of GSDP indicated by the Fourteenth Finance Commission, the leverage level of the state as indicated by debt and guarantees, as a percentage of GSDP (25.7%), was somewhat unfavourable compared to the other states in FY2018 RE. However, the leverage level of the GoTS as a proportion of SOTR (3.2 times) was moderate compared to some other states in FY2018 RE.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

5Debt includes Internal Debt; Loans from the Centre; Provident Fund etc. The majority of the debt of the composite State of Andhra Pradesh had been provisionally allocated between the successor states of Telangana and Andhra Pradesh (AP) broadly based on the population ratio. However, a portion of the Small Savings Provident Fund etc. of the composite State of AP remains un-apportioned. For our analysis, we have assumed that the remaining unapportioned debt would be allocated to the successor states based on the population ratio. The summation of the debt allocated to the GoTS and the ICRA-estimated portion of the unallocated debt, constitutes the estimated opening balance of debt stock of the GoTS as on June 2, 2014.

3

Links to applicable criteria:

Rating Methodology for State Governments

ICRA's Procedure to Assign Provisional Ratings

About the state government

The state of Telangana was formed on June 2, 2014, following the bifurcation of the erstwhile state of Andhra Pradesh into Telangana and residual Andhra Pradesh. Telangana covers about 3.5% of India's geographical area and houses around 2.9% of its population. The state's performance on various socio-economic indicators is mixed. The per capita income of the state at Rs. 1,55,612 in FY2017 (base ***year*** FY2012; at current prices; Central Statistics Office or CSO) exceeded the national average (Rs. 1,03,870) by a wide margin. Moreover, the level of urbanisation in Telangana in 2011 (38.7%) was superior to the national average (31.1%). While the state's literacy rate in the age group of 7-24 ***years*** (88.6%) was superior to the national average (87.0%) in 2011, the overall literacy rate in the state (66.5%) was lower than the national average (74.0%).

The composition of Telangana's economy, as measured by the Gross State Value Added (GSVA; base ***year*** FY2012), indicates a high share of the services sector (average 59% during FY2012 to FY2017) and a correspondingly low share of ***agriculture*** (average 15% during FY2012 to FY2017) and industry (average 26% during FY2012 to FY2017), in comparison to several other states.

Key financial indicators (In Rs. crore) FY2017 FY2018 RE FY2019 BE

Revenue Receipts\*

79,387.9

108,148.2

127,975.1 SOTR 48,407.8 61,369.0 73,751.9

SONTR\*

6,351.7

6,599.5

5,973.9 Grants-in-aid 9,751.9 23,759.7 29,041.9

Share in Central taxes

14,876.5

16,420.1

19,207.4 Revenue Expenditure# 79,812.1 106,602.9 125,454.7

Revenue Deficit (-)/Surplus (+)@

-424.2

1,545.4

2,520.4 Capital Receipts& 1,809.9 - 3,000.0

Capital Expenditure^ and net lending

25,870.6

25,447.2

33,369.1 Fiscal Deficit (-)/Surplus (+) -27,780.8 -23,491.4 -29,077.1

\*Adjusted for double entries of interest on loans of department commercial undertakings and sale of land. If revenue receipts and SONTR are not adjusted for sale of land in FY2017 and FY2019 BE, then they would be higher at Rs. 81,197.8 crore and Rs. 8,161.6 crore, respectively, in FY2017 and Rs. 130,975.1 crore and Rs. 8,973.9 crore, respectively, in FY2019 BE. There were no funds from sale of land included in SONTR in FY2018 RE.

#Adjusted for double entries of interest on loans of department commercial undertakings.

@ If proceeds from the sale of land are not adjusted in FY2017 and FY2019 BE, then the GoTS' revenue account balance would display a surplus of Rs. 1,385.8 crore in FY2017 and Rs. 5,520.4 crore in FY2019 BE.

&Adjusted for sale of land.

^Adjusted for Rs. 7,500.0 crore of equity infusion into the Discom in FY2017 to account for the takeover Ujwal DISCOM Assurance Yojana (UDAY) debt.

Source: State budgets; CSO; ICRA research

4

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three ***years***: Current Rating (FY2019) Chronology of Rating History for the past 3 ***years*** Instrument Type Amount Rated (Rs. crore) Amount Outstanding (Rs crore) Date & Rating in FY2019 Date & Rating in FY2018 Date & Rating in FY2017 Date & Rating in FY2016 Aug-2018 Apr-2018 Dec-2017 Dec-2017 Aug-2017 Apr-2017 Sep-2016 Jul-2016 May-2016 Mar-2016 Oct-2015

Lon-term Debt (Proposed)

Long-term

5,000

5,000

Provisional [ICRA]A(SO)/Stable

Provisional [ICRA]A(SO)/Stable

Provisional [ICRA]A(SO)/Stable

Provisional [ICRA]A(SO)/Stable

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Provisional [ICRA]A(SO)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [*www.icra.in*](http://www.icra.in)

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Annexure-1: Instrument Details ISIN No Instrument Name Date of Issuance/ Sanction Coupon Rate Maturity Date Amount Rated (Rs. crore) Current Rating and Outlook

NA

Long-term Debt

(Proposed)

Not issued

NA

NA

5,000

Provisional [ICRA]A (SO)(Stable)

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Rating Agency Website: [*http://www.icra.in*](http://www.icra.in)/

\*\*\*\*\*\*

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**Load-Date:** August 10, 2018

**End of Document**



[***Washington: TRANSMISSION OF MATERIALS IN THIS RELEASE IS EMBARGOED UNTIL 8:30 A.M (Eastern) Thursday, April 19, 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S4W-5561-JDG9-Y53S-00000-00&context=1516831)

Impact News Service

April 19, 2018 Thursday

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**Length:** 1639 words

**Body**

Washington: U.S.Department of Labor has issued the following news release:

UNEMPLOYMENT INSURANCE WEEKLY CLAIMS SEASONALLY ADJUSTED DATA In the week ending April 14, the advance figure for seasonally adjusted initial claims was 232,000, a decrease of 1,000 from the previous week's unrevised level of 233,000. The 4-week moving average was 231,250, an increase of 1,250 from the previous week's unrevised average of 230,000. Claims taking procedures in Puerto Rico and in the Virgin Islands have still not returned to normal. The advance seasonally adjusted insured unemployment rate was 1.3 percent for the week ending April 7, unchanged from the previous week's unrevised rate. The advance number for seasonally adjusted insured unemployment during the week ending April 7 was 1,863,000, a decrease of 15,000 from the previous week's revised level. The previous week's level was revised up 7,000 from 1,871,000 to 1,878,000. The 4-week moving average was 1,858,750, an increase of 6,750 from the previous week's revised average. The previous week's average was revised up by 1,750 from 1,850,250 to 1,852,000.

  UNADJUSTED DATA The advance number of actual initial claims under state ***programs***, unadjusted, totaled 225,545 in the week ending April 14, a decrease of 6,180 (or -2.7 percent) from the previous week. The seasonal factors had expected a decrease of 5,134 (or -2.2 percent) from the previous week. There were 225,864 initial claims in the comparable week in 2017. The advance unadjusted insured unemployment rate was 1.4 percent during the week ending April 7, unchanged from the prior week. The advance unadjusted number for persons claiming UI benefits in state ***programs*** totaled 1,926,858, a decrease of 74,700 (or -3.7 percent) from the preceding week. The seasonal factors had expected a decrease of 60,084 (or -3.0 percent) from the previous week. A ***year*** earlier the rate was 1.5 percent and the volume was 2,042,394. The total number of people claiming benefits in all ***programs*** for the week ending March 31 was 2,034,634, a decrease of 503 from the previous week. There were 2,177,513 persons claiming benefits in all ***programs*** in the comparable week in 2017. Extended benefits were payable in Alaska and the Virgin Islands during the week ending March 31. Initial claims for UI benefits filed by former Federal civilian employees totaled 795 in the week ending April 7, an increase of 212 from the prior week. There were 697 initial claims filed by newly discharged veterans, an increase of 98 from the preceding week. There were 10,678 former Federal civilian employees claiming UI benefits for the week ending March 31, an increase of 806 from the previous week. Newly discharged veterans claiming benefits totaled 7,777, a decrease of 229 from the prior week.   The highest insured unemployment rates in the week ending March 31 were in the Virgin Islands (6.0), Alaska (3.3), Connecticut (2.6), New Jersey (2.6), Puerto Rico (2.6), California (2.3), Massach usetts (2.3), Pennsylvania (2.3), Rhode Island (2.3), Illinois (2.1), Minnesota (2.1), and Montana (2.1). The largest increases in initial claims for the week ending April 7 were in New Jersey (+5,567), Texas (+3,505), New York (+3,287), Arizona (+2,346), and California (+1,942), while the largest decreases were in Pennsylvania ( - 1,134), Michigan ( - 570), Illinois ( - 481), Idaho ( - 292), and Maryland ( - 227).   UNEMPLOYMENT INSURANCE DATA FOR REGULAR STATE PROG RAMS WEEK ENDING April 14 April 7 Change March 31 Prior ***Year*** 1 Initial Claims (SA) 232,000 233,000 - 1,000 242,000 247,000 Initial Claims (NSA) 225,545 231,725 - 6,180 200,996 225,864 4 - Wk Moving Average (SA) 231,250 230,000 +1,250 228,250 244,250 WEEK ENDING April 7 March 31 Change March 24 Prior ***Year*** 1 Insured Unemployment (SA) 1,863,000 1,878,000 - 15,000 1,818,000 1,981,000 Insured Unemployment (NSA) 1,926,858 2,001,558 - 74,700 2,003,098 2,042,394 4 - Wk Moving Average (SA) 1,858,750 1,852,000 +6,750 1,851,750 2,014,250 Insured Unemployment Rate (SA) 2 1.3% 1.3% 0.0 1.3% 1.4% Insured Unemployment Rate (NSA) 2 1.4% 1.4% 0.0 1.4% 1.5% INITIAL CLAIMS FILED IN FEDERAL ***PROGRAMS*** (UNADJUSTED) WEEK ENDING April 7 March 31 Change Prior ***Year*** 1 Federal Employees (UCFE) 795 583 +212 729 Newly Discharged Veterans (UCX) 697 599 +98 883 PERSONS CLAIMING UI BENEFITS IN ALL ***PROGRAMS*** (UNADJUSTED) WEEK ENDING March 31 March 24 Change Prior ***Year*** 1 Regular State 1,999,031 2,000,709 - 1,678 2,135,937 Federal Employees 10,678 9,872 +806 11,641 Newly Discharged Veterans 7,777 8,006 - 229 10,391 Extended Benefits 3 1,010 1,024 - 14 0 State Additional Benefits 4 7,029 6,964 +65 7,823 STC / Workshare 5 9,109 8,562 +547 11,721 TOTAL 2,034,634 2,035,137 - 503 2,177,513 FOOTNOTES SA - Seasonally Adjusted Data, NSA - Not Seasonally Adjusted Data 1. Prior ***year*** is comparable to most recent data. 2. Most recent week used covered employment of 141,433,196 as denominator. 3. Information on the EB ***program*** can be found here: EB ***Program*** information 4. Some states maintain additional benefit ***programs*** for those claimants who exhaust regular, extended and emergency benefits. Information on states that participate, and the extent of benefits paid, can be found starting on page 4-5 of this link: Extensions and Special ***Programs*** PDF 5. Information on STC/Worksharing can be found starting on page 4-9 of the following link: Extensions and Special ***Programs*** PDF

                    UNADJUSTED INITIAL CLAIMS FOR WEEK ENDED APRIL 7, 2018 STATES WITH AN INCREASE OF MORE THAN 1,000 State Change State Supplied Comment NJ +5,567 Layoffs in the educational service, transportation and warehousing, accommodation and food service, public administration, and manufacturing industries. TX +3,505 Layoffs in the manufacturing, health care and social assistance, support and waste management and remediation service, retail trade, information, and financial and insurance industries. NY +3,287 Layoffs in the transportation and warehousing, art, entertainment, and recreation, and educational service industries. AZ +2,346 No comment. CA +1,942 No comment. FL +1,918 Layoffs in the ***agriculture***, forestry, fishing, and hunting, construction, manufacturing, wholesale trade, retail trade, and service industries. WA +1,272 Layoffs in the ***agriculture***, forestry, fishing, and hunting, transportation and warehousing, and health care and social assistance industries. STATES WITH A DECREASE OF MORE THAN 1,000 State Change State Supplied Comment PA - 1,134 Fewer layoffs in the transportation and warehousing, accommodation and food service, administrative, support, waste management and remediation service, and manufacturing industries.   TECH NICAL NOTES This news release presents the weekly unemployment insurance (UI) claims reported by each state's unemployment insurance ***program*** offices. These claims may be used for monitoring workload volume, assessing state ***program*** operations and for assessing labor market conditions. States initially report claims directly taken by the state liable for the benefit ***payments***, regardless of where the claimant who filed the claim resided. These are the basis for the advance initial claims and continued claims reported each week. These data come from ETA 538, Advance Weekly Initial and Continued Claims Report. The following week initial claims and continued claims are revised based on a second reporting by states that reflect the claimants by state of residence. These data come from the ETA 539, Weekly Claims and Extended Benefits Trigger Data Report. A. Initial Claims An initial claim is a claim filed by an unemployed individual after a separation from an employer. The claimant requests a determination of basic eligibility for the UI ***program***. When an initial claim is filed with a state, certain programmatic activities take place and these result in activity counts including the count of initial claims. The count of U.S initial claims for unemployment insurance is a leading economic indicator because it is an indication of emerging labor market conditions in the country. However, these are weekly administrative data which are difficult to seasonally adjust, making the series subject to some volatility. B. Continued Weeks Claimed A person who has already filed an initial claim and who has experienced a week of unemployment then files a continued claim to claim benefits for that week of unemployment. Continued claims are also referred to as insured unemployment. The count of U.S continued weeks claimed is also a good indicator of labor market conditions. Continued claims reflect the current number of insured unemployed workers filing for UI benefits in the nation. While continued claims are not a leading indicator (they roughly coincide with economic cycles at their peaks and lag at cycle troughs), they provide confirming evidence of the direction of the U.S economy. C. Seasonal Adjustments and Annual Revisions Over the course of a ***year***, the weekly changes in the levels of initial claims and continued claims undergo regularly occurring fluctuations. These fluctuations may result from seasonal changes in weather, major holidays, the opening and closing of schools, or other similar events. Because these seasonal events follow a more or less regular pattern each ***year***, their influence on the level of a series can be tempered by adjusting for regular seasonal variation. These adjustments make trend and cycle developments easier to spot. At the beginning of each ***calendar*** ***year***, the Bureau of Labor Statistics provides the Employment and Training Administration (ETA) with a set of seasonal factors to apply to the unadjusted data during that ***year***. Concurrent with the implementation and release of the new seasonal factors, ETA incorporates revisions to the UI claims historical series caused by updates to the unadjusted data.

**Load-Date:** April 20, 2018

**End of Document**



[***Register of Commission documents: Agenda - COMMITTEE MEETING FOR AGRICULTURAL FUNDS Document date: 2018-12-03 COM-AC\_DI(2018)A059906-01 Comitology - Documents for information***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TWP-FCY1-F0YC-N410-00000-00&context=1516831)

Impact News Service

December 4, 2018 Tuesday

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**Length:** 774 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Ares(2018)6669754

COMMITTEE MEETING FOR ***AGRICULTURAL*** FUNDS

Brussels, rue de la Loi 130

Meeting room 11A

on Monday 17.12.2018 from 14.30 to 18.00

|  |  |
| --- | --- |
|  | EUROPEAN COMMISSION DIRECTORATE-GENERAL FOR ***AGRICULTURE*** AND RURAL DEVELOPMENT   Directorate I. Legal, institutional and procedural matters I.4 Adoption procedures, committees, expert groups and civil dialogue groups |

AGENDA (1)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | ITEMS CONCERNING DIRECTORATE R | DOCUMENTS |  |  |  |
| 1. | Information on Rural Development ***programmes***. | Ares(2018)?and annexes-EN(2) |  |  |  |
| 2. | Opinion on a draft Commission implementing decision concerning the monthly ***payments*** by the EAGF of the expenditure effected by the paying agencies of the Member States for November 2018. | Ares(2018)? -EN(2)     Ares(2018)? -EN(2) (draftDecision) |  |  |  |
| 3. | Miscellaneous. |  |  |  |  |
| 3.1 | Distribution of documents |  |  |  |  |
| a) | Information on the consumption of EAGF-appropriations. | Ares(2018)? -EN(2) Ares(2018)? and Ares(2018)? -EN(3) |  |  |  |
| b) | Revision 5of the Detailed EAGF Budget Nomenclature for the 2019 financial ***year***. | Ares(2018)?-EN-REV5(5) |  |  |  |
| c) | Summary of financial corrections performed during 2018. | Ares(2018)? -EN(5) |  |  |  |
| d) | Public Storage Flash Report 1/10/2017 - 31/10/2018. | Ares(2018)? -EN(5) |  |  |  |
| e) | Summary table of Financial ceilings ? Budget exercise 2019 ? Rev.01 | Ares(2018)? -EN-REV1(5) |  |  |  |
| f) | Minutes and summary record of the meeting of the Committee on the ***Agricultural*** Funds held on 16.11.2018 | Ares(2018).. -EN(5)      Ares(2018)5940928-FR(5) |  |  |  |
| g) | Outcome of the written procedure ? Decision on supplementary ***payments*** or deductions to be made in order to adjust the monthly ***payments*** from the EAGF covering the expenditure effected by the PA of the MS in respect of the 2018 FY. | Ares(2018)? -EN(5) |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | ITEMS CONCERNING DIRECTORATE H | DOCUMENTS |  |  |  |
| 4. | Opinion on a draft Commission Implementing Decision on the clearance of the accounts of certain paying agencies in Austria and Cyprus concerning expenditure financed by the European ***Agricultural*** Guarantee Fund (EAGF) for financial ***year*** 2016. | Ares(2018)6322804-EN-FR-DE-EL(2) |  |  |  |
| 5 | Miscellaneous. |  |  |  |  |
| 5.1 | Presentation of documents |  |  |  |  |
| a) | Guidelines for the submission of control data and control statistics in relation to direct ***payment*** schemes and rural development measures for claim ***year*** 2019. | Ares(2018)? -EN(2) |  |  |  |
| b) | Integrated quality control [X-table data (FY2017) versus Control data (CY2016)]. | Ares(2018)? -EN(2) |  |  |  |
| c) | Information to be submitted by Member States in relation to the clearance of accounts for the financial ***year*** 2018: electronic ***transfer*** via SFC2014 ? presentation of functionalities. | Presentation |  |  |  |
| 5.2 | Distribution of documents |  |  |  |  |
| a) | Indicative figures on the distribution by class of recipients of the direct aids paid to producers during the 2017 financial ***year***; final report. | Ares(2018)? -EN(2) |  |  |  |
| b) | Outcome of the written procedure launched in November 2018 ? Decision EL. | Ares(2018)? -EN(2) |  |  |  |
| c) | ***Programme*** of missions by Directorate H (audit of ***agricultural*** expenditure). | Ares(2018)? -EN(2) |  |  |  |
| d) | Final reports of the Conciliation Body for cases 18/IT/837 and 18/FR/834. | Documents Ares(2018)5835520  and Ares(2018)5937358-EN(2) |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

(1)   Available on CircaBC by 3 December  2018 at the latest (final date for e-mailing the documents for the above meeting to the delegations in accordance with Regulation of the European Parliament and of the Council laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers).

(2)    Available on CircaBC between 3 and 12 December 2018.

(3)   Available on CircaBC on or after 12 December 2018, but, for practical reasons, non available at the meeting.

(4)   Available after the meeting.

(5)   Even if after the deadline, not available in the meeting.

NB:

* This agenda may be amended between now and the meeting. Delegates are therefore requested to consult the version of the agenda provided at the meeting.

1. In accordance with letter No 12660 of 16 May 2000 (distributed at the 560th meeting, held on 22 May 2000) from the Chairman of the EAGGF Committee to the Committee's correspondents and its spokesperson, which also applies to the ***Agricultural*** Funds Committee, documents previously available at meetings and those published on CircaBC on or before 12.12.2018 will not be available in hard copy at the meeting.

* ATTENDANCE LIST

Delegates are reminded not to leave the meeting without first having filled in and signed the attendance list.

Please send us your AOB questions in due time before the meeting (e-mail: [*AGRI-AFC@ec.europa.eu*](mailto:AGRI-AFC@ec.europa.eu) ).

**Load-Date:** December 5, 2018

**End of Document**



[***FEDERAL REGISTER: Single Family Housing Guaranteed Loan Program Pages 42618 - 42622 [FR DOC # 2018-18089]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T4K-PN11-JDG9-Y4H7-00000-00&context=1516831)

Impact News Service

August 25, 2018 Saturday

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**Length:** 5515 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Rural Housing Service 7 CFR Part 3555 RIN 0575-AD09 Single Family Housing Guaranteed Loan ***Program*** AGENCY: Rural Housing Service, USDA. ACTION: Proposed rule. ----------------------------------------------------------------------- SUMMARY: The Rural Housing Service (RHS or Agency) proposes to make several changes to the single-family housing guaranteed loan ***program*** (SFHGLP) regulations to streamline the loss claim process for lenders who have acquired title to property through voluntary liquidation or foreclosure; clarify that lenders must comply with applicable laws, including those within the purview of the Consumer Financial Protection Bureau; and better align loss mitigation policies with those in the mortgage industry. DATES: Written or email comments on the proposed rule must be received on or before October 22, 2018 to be assured for consideration. ADDRESSES: You may submit comments on this proposed rule by any one of the following methods:  Federal eRulemaking Portal:

[*http://www.regulations.gov*](http://www.regulations.gov) Follow the instructions for submitting comments.      Mail: Submit written comments via the U.S Postal Service to the Branch Chief, Regulations and Paperwork Management Branch, U.S Department of ***Agriculture***, STOP 0742, 1400 Independence Ave. SW, Washington, DC 20250-0742.      Hand Delivery/Courier: Submit written comments via Federal Express mail, or other courier service requiring a street address to the Branch Chief, Regulations and Paperwork Management Branch, U.S Department of ***Agriculture***, 1400 Independence Ave. SW, Washington, DC 20250.     All written comments will be available for public inspection during regular work hours at the 1400 Independence Ave. SW, address listed above.

FOR FURTHER INFORMATION CONTACT: Kate Jensen, Finance and Loan Analyst, Single Family Housing Guaranteed Loan Division, STOP 0784, Room 2250, USDA Rural Development, South ***Agriculture*** Building, 1400 Independence Avenue SW, Washington, DC 20250-0784, telephone: (503) 894-2382, email is [*Kate.Jensen@wdc.usda.gov*](mailto:Kate.Jensen@wdc.usda.gov)

SUPPLEMENTARY INFORMATION:

Executive Order 12866, Classification

    This proposed rule has been determined to be non-significant and, therefore was not reviewed by the Office of Management and Budget (OMB) under Executive Order 12866.

Executive Order 12988, Civil Justice Reform

    This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. Except where specified, all State and local laws and regulations that are in direct conflict with this rule will be preempted. Federal funds carry Federal requirements. No person is required to apply for funding under SFHGLP, but if they do apply and are selected for funding, they must comply with the requirements applicable to the Federal ***program*** funds. This proposed rule is not retroactive. It will not affect agreements entered prior to the effective date of the rule. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR part 11 must be exhausted.

Unfunded Mandates Reform Act

    Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effect of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, the Agency generally must prepare a written statement, including a cost- benefit analysis, for proposed and final rules with ``Federal mandates'' that may result in expenditures to State, local, or tribal governments, in the aggregate, or to the private sector, of $100 million, or more, in any one ***year***. When such a statement is needed for a rule, section 205 of the UMRA generally requires the Agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule.     This proposed rule contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Environmental Impact Statement

    This document has been reviewed in accordance with 7 CFR part 1970, subpart G, ``Environmental ***Program***.'' It is the determination of the Agency that this action does not constitute a major Federal action significantly affecting the quality of the human environment, and, in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, neither an Environmental Assessment nor an Environmental Impact Statement is required.

Executive Order 13132, Federalism

    The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the national government and States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

Regulatory Flexibility Act

    In compliance with the Regulatory Flexibility Act (5 U.S.C 601 et seq.) the undersigned has determined and certified by signature of this document that this rule change will not have a significant impact on a substantial number of small entities. This rule does not impose any significant new

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requirements on Agency applicants and borrowers, and the regulatory changes affect only Agency determination of ***program*** benefits for guarantees of loans made to individuals.

Executive Order 13175, Consultation and Coordination With Indian Tribal Governments

    Executive Order 13175 imposes requirements on RHS in the development of regulatory policies that have Tribal implications or preempt tribal laws. RHS has determined that the proposed rule does not have a substantial direct effect on one or more Indian Tribe(s) or on either the relationship or the distribution of powers and responsibilities between the Federal Government and Indian Tribes. Thus, this proposed rule is not subject to the requirements of Executive Order 13175. If a tribe determines that this rule has implications of which RHS is not aware and would like to engage with RHS on this rule, please contact USDA's Native American Coordinator at (720) 544-2911 or [*AIAN@wdc.usda.gov*](mailto:AIAN@wdc.usda.gov)

Executive Order 12372, Intergovernmental Consultation

    These loans are subject to the provisions of Executive Order 12372, which require intergovernmental consultation with State and local officials. RHS conducts intergovernmental consultations for each SFHGLP in accordance with 2 CFR part 415, subpart C.

***Programs*** Affected

    The ***program*** affected by this regulation is listed in the Catalog of Federal Domestic Assistance under Number 10.410, Very Low to Moderate Income Housing Loans (Section 502 Rural Housing Loans).

Paperwork Reduction Act

    The information collection and record keeping requirements contained in this regulation have been approved by OMB in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C Chapter 35). The assigned OMB control number is 0575-0179.

E-Government Act Compliance

    The Agency is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Non-Discrimination Policy

    In accordance with Federal civil rights law and U.S Department of ***Agriculture*** (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA ***programs*** are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance ***program***, political beliefs, or reprisal or retaliation for prior civil rights activity, in any ***program*** or activity conducted or funded by USDA (not all bases apply to all ***programs***). Remedies and complaint filing deadlines vary by ***program*** or incident.     Persons with disabilities who require alternative means of communication for ***program*** information (e.g , Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, ***program*** information may be made available in languages other than English.     To file a ***program*** discrimination complaint, complete the USDA ***Program*** Discrimination Complaint Form, AD-3027, found online at [*http://www.ascr.usda.gov/complaint\_filing\_cust.html*](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:     (1) Mail: U.S Department of ***Agriculture***, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250-9410;     (2) Fax: (202) 690-7442; or     (3) Email: [***program****.intake@usda.gov*](mailto:program.intake@usda.gov)     USDA is an equal opportunity provider, employer, and lender.

Background Information

    Driven by tight credit markets in which lenders are reluctant to make mortgage loans without insurance or guarantees from the federal government, SFHGLP has grown significantly in recent fiscal ***years*** (FY); from $33 million in loans in 1991 to $19.2 billion in FY 2017. The total portfolio of the SFHGLP consists of over one million loans serviced by over 1,000 lenders. The expansion of the ***program*** has led the Agency to look for ways in which current policies and procedures can be revised to streamline the ***program***, align the Agency with industry practices, and balance Agency resources with ***program*** demand. In order to help achieve these objectives, this rule proposes various changes to the loss claim process and loss mitigation loan servicing.

I. Loss Claims

    When a borrower stops making loan ***payments*** and goes into default, lenders are required to contact the borrower at prescribed intervals to offer various loss mitigation options to continue with the loan, come to an agreement to self-liquidate, or ***transfer*** the property to the lender through a deed-in-lieu. If these loss mitigation activities are unsuccessful, the lender will proceed to foreclosure where the property is sold to a third party or acquired into the lender's real estate owned (REO) portfolio. After sale of the property at the foreclosure sale or from the lender's REO, those proceeds are applied to the account. If that amount cannot satisfy the account, the lender submits a loss claim to the Agency using a web-based automated system or in a paper format. Upon ***payment*** of the loss claim ***payment*** to the lender, the Agency has satisfied its obligation to the lender under the loan guarantee.     When a lender acquires title to a property (i.e , REO), the Agency requires an REO property disposition plan from the lender explaining how, among other things, the lender will maintain and market the property during the permissible marketing period. The lender must obtain Agency concurrence for any significant changes to the plan.     Currently, the Agency provides two opportunities for the lender to file a loss claim on REO property: When the property sells during the permissible marketing period, or after the permissible marketing period (typically 9 or 12 months) if the REO property does not sell.     If the property has sold during the permissible marketing period, the loss claim is paid based on the actual property sales price combined with the actual property liquidation, property preservation, and disposition costs. If the property remains unsold after the permissible marketing period, the loss claim is based upon a liquidation value real estate appraisal and preservation and disposition costs consistent with the most currently published U.S Department of Veterans Affairs (VA) Management and Acquisition Factor (VA Net Value Factor) found at [*https://www.benefits.va.gov/HOMELOANS/servicers\_valeri.asp*](https://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp) When a lender receives a loss claim ***payment*** on unsold

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REO, they are responsible to report the future sale of the property and pay future recovery if the sales price is greater than the liquidation value real estate appraisal amount. The proceeds are distributed so that the total loss to the Agency is equivalent to the loss that would have been incurred had the recovered amount been included in the initial loss calculation.     The Agency proposes changes to the loss claim ***payment*** process when a lender acquires title by way of a deed-in-lieu or foreclosure sale. Under the proposed framework, lenders who acquire title must order a market value appraisal for the REO property within 15 days of acquiring title to the property. The loss claim request must be submitted to the Agency within 45 days upon receipt of the appraisal. The Agency will employ a loss claim model that takes into consideration various factors, including the market value appraisal, as well as property preservation and disposition costs based on the VA Management and Acquisition Factor costs consistent with the most currently published U.S Department of Veterans Affairs (VA) Management and Acquisition Factor (VA Net Value Factor) found at [*https://www.benefits.va.gov/HOMELOANS/servicers\_valeri.asp*](https://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp) to determine the loss claim amount. Because loss claims will be paid after acquisition and prior to marketing the REO, this will eliminate the need for REO property disposition plans, different loss claim calculations based on whether the property has sold or remains in the lender's REO portfolio, and claim adjustments based on future recovery. To reflect this more streamlined approach to loss claim processing that should deliver loss claim ***payments*** to lenders in a timelier fashion, the Agency will limit the lender to 60 days of additional interest during the loss claim period.     The Agency also proposes to revise 7 CFR 3555.354, which allows lenders to submit a loss claim electronically or in paper format. The change will require all lenders to utilize a web-based system to submit loss claims to reduce paperwork burden to both lenders and the Agency.     The Agency proposes to revise the definition of the settlement date to add the settlement date for deed-in-lieu actions. The Agency will define the settlement date of the deed-in-lieu as the date title is recorded. The current version of the regulation is silent on this issue.     These proposed changes were recommended by a Lean Six Sigma task force that consisted of Agency staff and lenders. Lean Six Sigma is a methodology used to improve performance and streamline processes by defining, measuring, analyzing, improving, and controlling problems or issues. The Lean Six Sigma task force was established to develop solutions on improving the loss claim process, while also making the SFGHLP cost-effective and efficient. Benefits of the proposed loss claim process to the lender include: A faster claim resolution by elimination of the 9- and 12 month marketing periods; a simplified claim submission due to elimination of requirement to submit invoices, system notes, financial history, listing agreement, Closing Disclosure and other information applicable to the marketing period; elimination of the property disposition plan; and efficient disposition of REO properties due to the elimination of agency approval required for offers, repair bids or valuations. Benefits to the Agency include: A reduction of REO claim processing time to 1.5-4 hours per claim from 3- 6 hours per claim resulting in an annual savings of 26,728 staff hours or $927,000 in annual labor costs; elimination of property disposition plans resulting in a savings of 14,492 hours or $503,000 in annual labor costs; reduction of improper ***payment*** risk by eliminating consideration of actual expenditure activity within the marketing period; simplification and streamlining of compliance reviews by eliminating all post-foreclosure activity on REO claims; reduction of interest paid by 30 days per REO claim resulting in annual interest savings of $3.7 million (based on FY 2014 REO claim ***payments***). The proposed change will not impact borrowers.

II. General Lender Requirement

    The Agency is proposing to amend 7 CFR 3555.51(b)(1) to clarify that in addition to complying with Agency laws and guidance, lenders must comply with other applicable federal, state and local laws, including those that fall under the purview of the Consumer Financial Protection Bureau, such as the Real Estate Settlement Procedures Act and the Truth in Lending Act.

III. Loss Mitigation

    In November of 2015, the Department of Treasury hosted a summit attended by federal agencies, mortgage lenders, consumer groups, investors, and mortgage service providers to discuss the future of loss mitigation pending the expiration of the Home Affordable Modification ***Program*** (HAMP) in December 2016. An important take-away from the summit was HAMP data showing ***payment*** reduction was key to a borrower's loss mitigation success. Borrowers facing financial hardship are unable to retain their home if the modified ***payment*** remains equal or exceeds their current promissory note installment.     The proposed changes regarding loss mitigation procedures, described below, would continue the Agency's efforts to improve the effectiveness of loss mitigation by emphasizing ***payment*** reduction as the key component to any relief provided to the borrower while offering lenders and borrowers consistent loss mitigation policies that align with industry standard.     The proposed changes will offer borrowers faster and greater ***payment*** relief early in the loss mitigation process. Historically, borrowers who receive less than 10 percent ***payment*** reduction have re- defaulted at a rate greater than 60 percent. When at least a 10 percent ***payment*** reduction is achieved, the re-default rate is reduced by half. These changes would increase homeownership success and decrease foreclosures. The Agency expects a corresponding reduction in lender- owned property resulting in greater community stability, as well as decreasing the expenses associated with foreclosure and property disposition.

A. Agency Concurrence on Servicing Plans and Voluntary Liquidation

    Currently, lenders must obtain Agency concurrence for a formal servicing plan or voluntary liquidation prior to implementation with the borrower. The Agency may grant lenders a waiver for concurrence.     The Agency proposes to amend the regulation to eliminate the requirement for Agency concurrence on formal servicing plans and voluntary liquidation. The proposed change would streamline the servicing plan and voluntary liquidation process for lenders and borrowers. Lenders would still report to the Agency any servicing plans and voluntary liquidation options that have been adopted, but Agency concurrence will not be necessary beforehand. While Agency concurrence for these actions will not be necessary, lenders will still be accountable for servicing plans and voluntary liquidation actions. The Agency will set performance benchmarks, monitor lender performance, and implement any necessary corrective action plans. Performance benchmarks will include rates for delinquency, foreclosure, and loss claim.     Lender performance regarding loss mitigation servicing plans and voluntary liquidation will be captured by the

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Agency's existing quality control (QC) process that incorporates a set of questions and findings for a sample of files submitted by the lender during a specific time. Findings are recorded and reported back to the lender along with any suggestions for improvement.     In addition, the Agency already reviews lenders on a regular basis for compliance with Agency requirements, and will reflect lenders' implementation of loss mitigation servicing plans and voluntary liquidation. Lender compliance reviews focus on the lender's adherence to Agency requirements and continuing eligibility for the ***program*** based on the results of individual file reviews. Lenders are provided a report of any findings and given an opportunity to correct issues.     Lenders that are determined to be out of compliance through Agency QC or compliance reviews will be counseled, offered training, and given the opportunity to improve. Lenders that show little or no progress could be subject to enhanced oversight during the loss claim process.     The Agency believes that eliminating the need for Agency concurrence for these actions will reduce the number of approval steps within the process and provide assistance to borrowers more quickly and balance Agency resources against demands. In addition, the change will align Agency policy with other loan guarantee ***programs*** that do not require a case-by-case review and rely on regular QC, lender compliance reviews, and data to determine lender performance and compliance with regulations.     To conform with the above changes, the Agency proposes to eliminate references to mandatory Agency concurrence from 3555.302 regarding protective advances and 3555.305 regarding voluntary liquidation.

B. Trial Plan (Traditional Servicing Loan Modification)

    Pursuant to 7 CFR 3555.303(b)(3)(v) borrowers may not be required to complete a trial plan in order to be eligible for a traditional servicing loan modification. The Agency proposes to amend this requirement and provide flexibility to lenders to determine whether a trial period is warranted for a traditional servicing loan modification.

C. Mortgage Recovery Advance

    Lenders may use special servicing options to bring a borrower's mortgage ***payment*** to an income ratio as close as possible to 31 percent. If the borrower cannot reach the targeted ***payment*** with an extended term loan modification of interest rate and loan term under 3555.304(c), the lender may utilize a Mortgage Recovery Advance (MRA) under 3555.304(d).     The Agency proposes to amend the language to standardize many of the requirements of special servicing options to increase the opportunity and effectiveness of lender assistance to borrowers facing an involuntary inability to pay their mortgage.     The Agency proposes to allow a ``stand-alone'' MRA when a borrower faced a hardship but is now able to continue making ***payments*** under the promissory note rate and terms but cannot cure the delinquency with personal funds. Currently, the regulation does not provide a solution for this scenario. The Agency has received feedback from stakeholders that a stand-alone MRA in certain circumstances would be an effective tool to facilitate borrower's long-term repayment ability. The proposed stand-alone MRA would be permitted when the borrower's mortgage ***payment*** to income ratio is less than 31 percent. For other borrowers, the existing requirement to use special servicing options in the order they appear in 3555.304 would remain.     The regulation is currently silent on how the servicer should treat the capitalization of the delinquency when using special servicing options. In comparison, traditional servicing options direct the lender through specific steps to capitalize all or a portion of the arrearage (PITI). Capitalization may also include foreclosure fees and costs, tax and insurance advances, past due Agency annual fees imposed by the lender, but not late charges or lender fees. Allowing the lender to capitalize the delinquency and these other amounts creates a clearer path to borrower success.     The Agency proposes to remove the maximum limit of 12 months PITI when calculating the MRA maximum amount and the requirement that the lender reduce the maximum MRA by the sum of the arrearages advanced to cure the default and any foreclosure costs incurred to that point. The servicing industry uses a standard ``waterfall'' method where the first step is to capitalize the delinquency, defined as PITI, annual fees, legal fees, and foreclosure costs. The lender then considers changes to the interest rate and term extension. By focusing on the limit of 30 percent of the unpaid principal balance, the changes would simplify the MRA calculation and increase the chances of the borrower becoming and remaining current. In addition, removal of the 12-month maximum PITI will bring the Agency in line with other federal ***programs*** and industry standards.

List of Subjects in 7 CFR Part 3555

    Home improvement, Loan ***Programs***--Housing and community development, Mortgage insurance, Mortgages, Rural areas.

    Therefore, chapter XXXV, title 7 of the Code of Federal Regulations is proposed to be amended as follows:

PART 3555--GUARANTEED RURAL HOUSING ***PROGRAM***

0 1. The authority citation for part 3555 continues to read as follows:

    Authority:  5 U.S.C 301; 42 U.S.C 1471 et seq.

0 2. Amend Sec.  3555.10 in the definition of Settlement date by revising the introductory text and adding paragraph (5) to read as follows:

Sec.  3555.10  Definitions and abbreviations.

\* \* \* \* \*     Settlement date. The settlement date, for the purpose of loss calculation, is: \* \* \* \* \*     (5) The date title is acquired upon recordation of a deed-in-lieu of foreclosure, with prior approval of the lender. \* \* \* \* \* 0 3. Amend Sec.  3555.51 (b)(1) by adding a new sentence after the first sentence to read as follows:

Sec.  3555.51  Lender eligibility.

\* \* \* \* \*     (b) \* \* \*     (1) \* \* \* Lenders must also comply with all other applicable federal, state and local laws, rules and requirements, including those under the purview of the Consumer Financial Protection Bureau, such as the Real Estate Settlement Procedures Act and the Truth in Lending Act. \* \* \* \* \* \* \* \* 0 4. Amend Sec.  3555.301 by revising paragraph (h) to read as follows:

Sec.  3555.301  General servicing techniques.

\* \* \* \* \*     (h) Formal servicing plan. The lender must report to the Agency utilizing a web-based automated system a formal servicing plan when a borrower's account is 90 days or more delinquent and a method other than foreclosure is recommend to solve the delinquency. 0 5. Amend Sec.  3555.302 by revising paragraph (b) to read as follows:

Sec.  3555.302  Protective advances.

\* \* \* \* \*

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    (b) Advances for costs other than taxes and insurance. Protective advances for costs other than taxes and insurance, such as emergency repairs, can be made only if the borrower cannot, or will not, obtain an additional loan or reimbursement from an insurer or the borrower has abandoned the property. The lender must determine that any repairs funded by protective advances are cost effective. Repairs funded by protective advances must be planned, performed and inspected in accordance with Sec.  3555.202 and as further described by the Agency. The lender must obtain prior Agency concurrence before issuing protective advances under this paragraph only for protective advances of a significant amount as specified by the Agency. 0 6. Amend Sec.  3555.303 by revising paragraph (b)(3)(v) to read as follows:

Sec.  3555.303  Traditional servicing options.

\* \* \* \* \*     (b) \* \* \*     (3) \* \* \*     (v) Lenders may require that borrowers complete a trial ***payment*** plan prior to making scheduled ***payments*** amended by the traditional loan servicing loan modification. \* \* \* \* \* 0 7. Amend Sec.  3555.304 by removing and reserving paragraph (a)(2), revising paragraph (a)(4), revising paragraphs (c)(1)and (2), and revising paragraphs (d)(2) and (3) to read as follows:

Sec.  3555.304  Special servicing options.

    (a) \* \* \*     (2) [Reserved] \* \* \* \* \*     (4) If the borrower currently has a mortgage ***payment*** to income ratio lower than 31 percent, special servicing options can be utilized to cure the delinquency without modifying the note. Otherwise, special servicing options shall be used in the order established in this section to bring the borrower's mortgage ***payment*** to income ratio as close as possible to, but not less than, 31 percent. \* \* \* \* \*     (c) \* \* \*     (1) Loan modifications may capitalize all or a portion of the arrearage (PITI) and/or reamortization of the balance due. Capitalization may also include foreclosure fees and costs, tax and insurance advances, past due annual fees imposed by the lender, but not late charges or lender fees.     (2) Loan modifications must be a fixed interest rate and cannot exceed the current market interest rate at the time of modification. When reducing the interest rate, the maximum rate is subject to paragraph (c)(3) of this section.     (d) \* \* \*     (2) The maximum amount of a mortgage recovery advance is 30 percent of the unpaid principal balance as of the date of default. The Agency may change the maximum amount of mortgage recovery advance by publication in the Federal Register.     (3) If the borrower's total monthly mortgage ***payment*** is less than 31 percent of gross monthly income prior to an extended term loan modification, the mortgage recovery advance can be used as a stand- alone option to cure the borrower's delinquency without changing the terms of the note. \* \* \* \* \* 0 8. Amend Sec.  3555.305 by revising the introductory text to read as follows:

Sec.  3555.305  Voluntary liquidation.

    The lender must have exhausted the servicing options outlined in Sec. Sec.  3555.302 through 3555.304 to cure the delinquency before considering voluntary liquidation. The methods of voluntary liquidation of the security property outlined in this section may be used to protect the interests of the Government. \* \* \* \* \* 0 9. Amend Sec.  3555.306 by revising paragraph (f) to read as follows:

Sec.  3555.306  Liquidation.

\* \* \* \* \*     (f) Lender acquisition of title. If at liquidation, the title to the property is conveyed to the lender, the lender will order a market value appraisal within 15 days of acquiring title. The appraisal must be completed by an appraiser to be used to pay the loss claim using a calculated value as provided by a model. The lender must submit the appraisal with a loss claim request in accordance with subpart H. \* \* \* \* \* 0 10. Amend Sec.  3555.352 by revising paragraphs (c) and (e) to read as follows:

Sec.  3555.352  Loss covered by the guarantee.

\* \* \* \* \*     (c) Additional interest. Additional interest on the unsatisfied principal accrued from the settlement date to the date the claim is paid, but not more than 60 days from the settlement date; \* \* \* \* \*     (e) Liquidation costs. Reasonable and customary liquidation costs, such as attorney fees, market value appraisals, and foreclosure costs. Annual fees advanced by the lender to the Agency are ineligible for reimbursement when calculating the loss claim ***payment***. 0 11. Amend Sec.  3555.353 by revising paragraphs (a) introductory text and (b) to read as follows:

Sec.  3555.353  Net recovery value.

\* \* \* \* \*     (a) For a property that has been sold. When a loss claim is filed on a property that was sold to a third party at the foreclosure sale or through an approved pre-foreclosure sale, net recovery value is calculated as follows: \* \* \* \* \*     (b) For a property that has been acquired. When a loss claim is filed on a property acquired by the lender through a foreclosure sale or deed-in-lieu of foreclosure, net recovery value is based on an estimated sales price calculated using the market value, holding and disposition costs calculated using an acquisition and management factor published by the VA, and other factors as determined by the Agency. The lender must order the appraisal within 15 days of acquiring title to the property, and submit the appraisal with any loss claim request in accordance with subpart H of this part. 0 12. Amend Sec.  3555.354 by revising the introductory text and paragraph (b) to read as follows:

Sec.  3555.354  Loss claim procedures.

    All lenders must use a web-based automated system designated by the Agency to submit all loss claim requests. \* \* \* \* \*     (b) REO. When the lender acquires title to the property, the lender must order a market value appraisal within 15 days of acquiring title. The lender must submit a complete loss claim package that includes the completed market value appraisal within 45 ***calendar*** days of receiving the appraisal. Loss claims submitted beyond this period of time, or submitted without an appraisal may be rejected or reduced by Rural Development. The Agency will apply an acquisition and management resale factor to estimate holding and disposition costs, based on the most current VA Management and Acquisition Factor found at [*https://www.benefits.va.gov/HOMELOANS/servicers\_valeri.asp*](https://www.benefits.va.gov/HOMELOANS/servicers_valeri.asp) \* \* \* \* \*

Sec.  3555.356  [Removed]

0 13. Remove Sec.  3555.356

    Dated: July 27, 2018. Joel C. Baxley, Administrator, Rural Housing Service. [FR Doc. 2018-18089 Filed 8-22-18; 8:45 am] BILLING CODE 3410-XV-P

**Load-Date:** August 28, 2018

**End of Document**



[***FEDERAL REGISTER: Announcement of Grant and Loan Application Deadlines Pages 28616 - 28622 [FR DOC # 2018-13235]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SM2-YN71-JDG9-Y0FG-00000-00&context=1516831)

Impact News Service

June 20, 2018 Wednesday

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**Length:** 6098 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Rural Utilities Service Announcement of Grant and Loan Application Deadlines AGENCY: Rural Utilities Service, USDA. ACTION: Notice of funds availability and solicitation of applications (NOFA). ----------------------------------------------------------------------- SUMMARY: The Rural Utilities Service (RUS) announces its Revolving Fund ***Program*** (RFP) application window and funds availability for Fiscal ***Year*** (FY) 2018. The Agency will make available $1,000,000 in grant funds to qualified private, non-profit organizations to establish a lending ***program*** for eligible entities. The Agency encourages [[Page 28617]] applications that will support recommendations made in the Rural Prosperity Task Force report to help improve life in rural America.

[*www.usda.gov/ruralprosperity*](http://www.usda.gov/ruralprosperity). Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in infrastructure, partnerships and innovation. Key strategies include:  Achieving e-Connectivity for Rural America  Developing the Rural Economy  Harnessing Technological Innovation  Supporting a Rural Workforce  Improving Quality of Life

DATES: You may submit completed applications for grants on paper or electronically according to the following deadlines:      Paper copies must be postmarked and mailed, shipped, or sent overnight no later than July 20, 2018 to be eligible for FY 2018 grant funding. Late or incomplete applications will not be eligible for FY 2018 grant funding. Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Agency, as long as such requests are made prior to July 5, 2018. The Agency will not solicit or consider scoring or eligibility information that is submitted after the application deadline. The Agency reserves the right to contact applications to seek clarification information on materials contained in the submitted application.      Electronic copies must be received by July 20, 2018 to be eligible for FY 2018 grant funding. Late or incomplete applications will not be eligible for FY 2018 grant funding. Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Agency, as long as such requests are made prior to July 5, 2018. The Agency will not solicit or consider scoring or eligibility information that is submitted after the application deadline. The Agency reserves the right to contact applications to seek clarification information on materials contained in the submitted application.

ADDRESSES: You may obtain application guides and materials for the RFP ***program*** at the Water and Environmental ***Programs*** (WEP) website: [*http://www.rd.usda.gov/****programs****-services/water-waste-disposal-revolving-loan-funds*](http://www.rd.usda.gov/programs-services/water-waste-disposal-revolving-loan-funds). You may also request application guides and materials by contacting Derek Jones at (202) 720-9640.     Submit electronic grant applications at   [*http://www.grants.gov*](http://www.grants.gov)/ and follow the instructions on the website.     Submit completed paper applications for RFP grants to: Rural Utilities Service, Rural Development, U.S Department of ***Agriculture***, 1400 Independence Avenue SW, STOP 1570, Room 2233-S, Washington, DC 20250-1570. Applications should be marked Attention: Derek Jones, Water and Environmental ***Programs***.

FOR FURTHER INFORMATION CONTACT: Derek Jones, Community ***Programs*** Specialist, Water and Environmental ***Programs***, Rural Utilities Service, Rural Development, U.S Department of ***Agriculture***, 1400 Independence Avenue SW, STOP 1570, Room 2233-S, Washington, DC 20250-1570; Telephone: (202) 720-9640: Fax: (202) 690-0649.

SUPPLEMENTARY INFORMATION:

Overview

    Federal Agency: Rural Utilities Service (RUS), USDA.     Funding Opportunity Title: Grant ***Program*** to Establish a Fund for Financing Water and Wastewater Projects (Revolving Fund ***Program*** (RFP)).     Announcement Type: Notice of Funds Availability (NOFA).     Catalog of Federal Domestic Assistance (CFDA) Number: 10.864     Due Date for Applications: Applications must be mailed, shipped or submitted electronically through Grants.gov no later than July 20, 2018 to be eligible for FY 2018 grant funding. See Section D of this notice for details.     The RFP is authorized under section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act (Con Act), 7 U.S.C 1926(a)(2)(B). Eligible entities for the revolving loan fund will be the same entities eligible, under paragraph 1 or 2 of Section 306(a) of the Con Act, 7 U.S.C 1926(a)(1) or (b)(2), to obtain a loan, loan guarantee, or grant from the RUS Water, Waste Disposal, and Wastewater loan and grant ***programs***.

Items in Supplementary Information

    A. ***Program*** Description: Brief introduction to the RFP.     B. Federal Award Information: Available funds.     C. Eligibility Information: Who is eligible, what kinds of projects are eligible, what criteria determine basic eligibility.     D. Application and Submission Information: Where to get application materials, what constitutes a completed application, how and where to submit applications, deadlines, items that are eligible.     E. Application Review Information: Considerations and preferences, scoring criteria, review standards, selection information.     F. Federal Award Administration Information: Award notice information, award recipient reporting requirements.     G. Federal Awarding Agency Contacts: website, phone, fax, email, contact name.     H. Other Information: Non-discrimination Statement.

A. ***Program*** Description

    Drinking water systems are basic and vital to both health and economic development. With dependable water facilities, rural communities can attract families and businesses that will invest in the community and improve the quality of life for all residents. Without dependable water facilities, the communities cannot sustain economic development.     RUS provides financial and technical assistance to help communities bring safe drinking water and sanitary, environmentally sound waste disposal facilities to rural Americans. It supports the sound development of rural communities and the growth of our economy without endangering the environment.     The RFP was established under 7 U.S.C part 1783 to assist communities with water or wastewater systems. Qualified private, non- profit organizations, who are selected for funding, will receive RFP grant funds to establish a lending ***program*** for eligible entities. Eligible entities for the revolving loan fund will be those entities eligible under 7 U.S.C.1926(a)(1) and (2) to obtain a loan, loan guarantee, or grant from the Water and Waste Disposal loan and grant ***programs*** administered by RUS. As grant recipients, the non-profit organizations will set up a revolving loan fund to provide loans to finance predevelopment costs of water or wastewater projects, or short- term small capital projects not part of the regular operation and maintenance of current water and wastewater systems. The amount of financing to an eligible entity shall not exceed $100,000 and shall be repaid in a term not to exceed 10 ***years***. The rate shall be determined in the approved grant work plan.

B. Federal Award Information

    Available funds: $1,000,000.

C. Eligibility Information

1. Eligible Applicants     An applicant is eligible to apply for the RFP grant if it:     a. Is a private, non-profit organization;     b. Is legally established and located within one of the following:     i. A state within the United States;

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    ii. The District of Columbia;     iii. The Commonwealth of Puerto Rico; or     iv. A United States territory;     c. Has the legal capacity and authority to carry out the grant purpose;     d. Has a proven record of successfully operating a revolving loan fund to rural areas;     e. Has capitalization acceptable to the Agency, and is composed of at least 51 percent of the outstanding interest or membership being citizens of the United States or individuals who reside in the United States after being legally admitted for permanent residence;     f. Has no delinquent debt to the Federal government or no outstanding judgments to repay a Federal debt;     g. Demonstrates that it possesses the financial, technical, and managerial capability to comply with Federal and state laws and requirements; and,     h. Is not a corporation that has been convicted of a felony (or had an officer or agent acting on behalf of the corporation convicted of a felony) within the past 24 months. Any Corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability is not eligible. 2. Cost Sharing or Matching     Applicants must contribute at least 20 percent of funds from sources other than the proceeds of an RFP grant to pay part of the cost of a loan recipient's project. In-kind contribution will not be considered. 3. Other: The Basic Eligibility Requirements for a Project     a. The following activities are authorized under the RFP statute:     i. Grant funds must be used to capitalize a revolving fund ***program*** for the purpose of providing direct loan financing to eligible entities for pre-development costs associated with proposed or with existing water and wastewater systems, or,     ii. Short-term costs incurred for equipment replacement, small- scale extension of services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.     b. Grant funds may not be used to pay any of the following:     i. ***Payment*** of the Grant Recipient's administrative costs or expenses, or,     ii. Delinquent debt owed to the Federal Government.

D. Application and Submission Information

1. Address To Request Application Package     a. The internet: [*http://www.rd.usda.gov/****programs****-services/water-waste-disposal-revolving-loan-funds*](http://www.rd.usda.gov/programs-services/water-waste-disposal-revolving-loan-funds) or Grants.gov website:   [*http://www.grants.gov/*](http://www.grants.gov/).     b. For paper copies of these materials, you may call (202) 720- 9583. 2. Content and Form of Application Submission     a. You may file an application in either paper or electronic format. To be considered for support, you must be an eligible entity and must submit a complete application by the deadline date. Applicants should consult the cost principles and general administrative requirements for grants pertaining to their organizational type in order to prepare the budget and complete other parts of the application. You also must demonstrate compliance (or intent to comply), through certification or other means, with a number of public policy requirements. Applications should be prepared in conformance with 7 CFR part 1783, and departmental and other applicable regulations including 2 CFR parts 180, 182, 200, 400 and 421, or any successor regulations.     Whether you file a paper or an electronic application, you will need a DUNS number and must be registered in the System for Award Management (SAM). Detailed information on obtaining a DUNS number and registering for SAM may be found in section D(3).     b. Applicants must complete and submit the following forms to apply for a RFP grant:     i. Standard Form 424, ``Application for Federal Assistance.''     ii. Standard Form 424A, ``Budget Information--Non-Construction ***Programs***.''     iii. Standard Form 424B, ``Assurances--Non-Construction ***Programs***.''     iv. Standard Form LLL, ``Disclosure of Lobbying Activity.''     v. Form RD 400-1, ``Equal Opportunity Agreement.''     vi. Form RD 400-4, ``Assurance Agreement (Under Title VI, Civil Rights Act of 1964).''     c. The project proposal should outline the project in sufficient detail to provide a reader with a complete understanding of how the loan ***program*** will work. Explain what you will accomplish by lending funds to eligible entities. Demonstrate the feasibility of the proposed loan ***program*** in meeting the objectives of this grant ***program***. The proposal should cover the following elements:     i. Present a brief project overview. Explain the purpose of the project, how it relates to RUS's purposes, how you will carry out the project, what the project will produce, and who will direct it.     ii. Describe why the project is necessary. Demonstrate that eligible entities need loan funds. Quantify the number of prospective borrowers or provide statistical or narrative evidence that a sufficient number of borrowers will exist to justify the grant award. Describe the service area. Address community needs.     iii. Clearly state your project goals. Your objectives should clearly describe the goals and be concrete and specific enough to be quantitative or observable. They should also be feasible and relate to the purpose of the loan ***program***.     iv. The narrative should cover in more detail the items briefly described in the Project Summary. It should establish the basis for any claims that you have substantial expertise in promoting the safe and productive use of revolving funds. In describing what the project will achieve, you should tell the reader if it also will have broader influence. The narrative should address the following points:     (1) Document your ability to administer and service a revolving fund in accordance with the provisions of 7 CFR part 1783.     (2) Document your ability to commit financial resources to establish the RFP with funds your organization controls. This documentation should describe the sources of funds other than the RFP grant that will be used to pay your operational costs and provide financial assistance for projects.     (3) Demonstrate that you have secured commitments of significant financial support from other funding sources, if appropriate.     (4) List the fees and charges that borrowers will be assessed.     v. The work plan must describe the tasks and activities that will be accomplished with available resources during the grant period. It must show the work you plan to do to achieve the anticipated outcomes, goals, and objectives set out for the RFP. The plan must:     (1) Describe the work to be performed by each person.     (2) Give a schedule or timetable of work to be done.     (3) Show evidence of previous experience with the techniques to be used or their successful use by others.

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    (4) Outline the loan ***program*** to include the following: Specific loan purposes, a loan application process, priorities, borrower eligibility criteria, limitations, fees, interest rates, terms, and collateral requirements.     (5) Provide a marketing plan.     (6) Explain the mechanics of how you will ***transfer*** loan funds to the borrowers.     (7) Describe follow-up or continuing activities that should occur after project completion such as monitoring and reporting borrowers' accomplishments.     (8) Describe how the results will be evaluated. The evaluation criteria should be in line with the project objectives.     (9) List all personnel responsible for administering this ***program*** along with a statement of their qualifications and experience.     vi. The written justification for projected costs should explain how budget figures were determined for each category. It should indicate which costs are to be covered by grant funds and which costs will be met by your organization or other organizations. The justification should account for all expenditures discussed in the narrative. It should reflect appropriate cost-sharing contributions. The budget justification should explain the budget and accounting system proposed or in place. The administrative costs for operating the budget should be expressed as a percentage of the overall budget. The budget justification should provide specific budget figures, rounding off figures to the nearest dollar. Applicants should consult 2 CFR 200, Subpart E, ``Cost Principals,'' for information about appropriate costs for each budget category.     vii. In addition to completing the standard application forms, you must submit:     (1) Supplementary material that demonstrate that your organization is legally recognized under state or Tribal and Federal law. Satisfactory documentation includes, but is not limited to, certificates from the Secretary of State, or copies of state statutes or laws establishing your organization. Letters from the IRS awarding tax-exempt status are not considered adequate evidence.     (2) A certified list of directors and officers with their respective terms.     (3) Evidence of tax exempt status from the IRS.     (4) The most recent audit of your organization.     (5) The following financial statements:     (a) Pro forma balance sheet at start-up and for at least three additional ***years***; Balance sheets, income statements, and cash flow statements for the last three ***years***.     (b) If your organization has been formed less than three ***years***, the financial statements should be submitted for the periods from inception to the present. Projected income and cash flow statements for at least three ***years*** supported by a list of assumptions showing the basis for the projections. The projected income statement and balance sheet must include one set of projections that shows the revolving loan fund only and a separate set of projections that shows your organization's total operations.     (6) Additional information to support and describe your plan for achieving the grant objectives. The information may be regarded as essential for understanding and evaluating the project and may be found in letters of support, as resolutions, policies, and other relevant documents. The supplements may be presented in appendices to the proposal.     d. Compliance with other federal statutes. The applicant must provide evidence of compliance with other federal statutes, including but not limited to the following:     i. Debarment and suspension information is required in accordance with 2 CFR part 417 (Nonprocurement Debarment and Suspension) supplemented by 2 CFR part 180, if it applies. The section heading is ``What information must I provide before entering into a covered transaction with the Federal Government?'' located at 2 CFR 180.335 It is part of OMB's Guidance for Grants and Agreements concerning Government-wide Debarment and Suspension.     ii. All of your organization's known workplaces by including the actual address of buildings (or parts of buildings) or other sites where work under the award takes place. Workplace identification is required under the drug-free workplace requirements in Subpart B of 2 CFR part 421, which adopts the Government-wide implementation (2 CFR part 182) of the Drug-Free Workplace Act.     iii. 2 CFR parts 200 and 400 (Uniform Assistance Requirements, Cost Principles and Audit Requirements for Federal Awards).     iv. 2 CFR part 182 (Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)) and 2 CFR part 421 (Requirements for Drug Free Workplace (Financial Assistance)).     v. Executive Order 13166, ``Improving Access to Services for Persons with Limited English Proficiency.'' For information on limited English proficiency and agency-specific guidance, go to [*http://www.LEP.gov*](http://www.LEP.gov)     e. Requirements for numbers of copies of submitted applications.     i. Send or deliver paper applications by the U.S Postal Service (USPS) or courier delivery services to: USDA, Rural Development, Rural Utilities Service, Water and Environmental ***Programs***, 1400 Independence Avenue SW, Attention: Derek Jones, Mail STOP 1570, Room 2233-S, Washington, DC 20250-1570.     ii. For paper applications mail or ensure delivery of an original paper application (no stamped, photocopied, or initialed signatures) and two copies by the deadline date. The application and any materials sent with it become Federal records by law and cannot be returned to you.     iii. Electronically submitted applications:     (1) Applications will not be accepted by fax or electronic mail.     (2) Electronic applications for grants will be accepted if submitted through Grants.gov     (3) Applicants must preregister successfully with Grants.gov to use the electronic applications option. Application information may be downloaded from Grants.gov without preregistration.     (4) Applicants who apply through Grants.gov should submit their electronic applications before the deadline.     (5) Grants.gov contains full instructions on all required passwords, credentialing, and software. Follow the instructions at Grants.gov for registering and submitting an electronic application.     (6) Grants.gov has two preregistration requirements: A DUNS number and an active registration in the SAM. See section D(3) below for instructions on obtaining a DUNS number and registering in the SAM. 3. Unique Entity Identifier and System for Award Management (SAM)     The applicant for a grant must supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of an application. The Standard Form 424 (SF-424) contains a field for the DUNS number. The applicant can obtain the DUNS number free of charge by calling Dun and Bradstreet. Please see   [*http://fedgov.dnb.com/webform*](http://fedgov.dnb.com/webform) for more information on how to obtain a DUNS number or how to verify your organization's number. In accordance with 2 CFR part 25, whether applying electronically or by paper, the applicant must register in the System for Award Management (SAM) prior to submitting

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an application. Applicants may register for the SAM at [*https://www.sam.gov/portal/SAM/#1*](https://www.sam.gov/portal/SAM/#1). The SAM registration must remain active with current information at all times while RUS is considering an application or while a Federal Grant award or loan is active. To remain registered in the SAM database the applicant must review and update the information in the SAM database annually from date of initial registration or from the date of the last update. The applicant must ensure that the information in the database is current, accurate, and complete. 4. Submission Dates and Times     You may submit completed applications for grants on paper or electronically according to the following deadlines:     a. Paper copies must be postmarked and mailed, shipped, or sent overnight no later than July 20, 2018 to be eligible for FY 2018 grant funding. Late or incomplete applications will not be eligible for FY 2018 grant funding.     b. Electronic copies must be received by July 20, 2018 to be eligible for FY 2018 grant funding. Late or incomplete applications will not be eligible for FY 2018 grant funding. 5. Funding Restrictions     Grant proceeds may be used solely to establish the revolving loan fund to provide loans to eligible entities for: Pre-development costs associated with proposed or existing water and wastewater projects, and short-term costs incurred for replacement equipment or other small capital projects not part of regular operations and maintenance of existing water and wastewater systems. Grant recipients may not use grant funds in any manner inconsistent with the purposes described in 7 CFR 1783.12 or in the terms of the grant agreement. Administrative expenses may, however, be paid or reimbursed from revolving loan fund assets that are not RFP grant funds, including revolved funds and funds originally contributed by the grant recipient.

E. Application Review Information

    Within 30 days of receiving your application, RUS will send you a letter of acknowledgment. Your application will be reviewed for completeness to determine if you included all of the items required. If your application is incomplete or ineligible, RUS will return it to you with an explanation. A review team, composed of at least two RUS staff members, will evaluate all applications and proposals. They will make overall recommendations based on factors such as eligibility, application completeness, and conformity to application requirements. They will score the applications based on criteria in the following section. 1. Criteria     All applications that are complete and eligible will be ranked competitively based on the following scoring criteria:     a. Degree of expertise and successful experience in making and servicing commercial loans, with a successful record, for the following number of full ***years***:     i. At least 1 but less than 3 ***years***--5 points.     ii. At least 3 but less than 5 ***years***--10 points.     iii. At least 5 but less than 10 ***years***--20 points.     v. 10 or more ***years***--30 points.     b. Extent to which the work plan demonstrates a well thought out, comprehensive approach to accomplishing the objectives of this part, clearly defines who will be served by the project, clearly articulates the problem/issues to be addressed, identifies the service area to be covered by the RFP loans and appears likely to be sustainable; Up to 40 points.     c. Percentage of applicant contributions. Points allowed under this paragraph will be based on written evidence of the availability of funds from sources other than the proceeds of an RFP grant to pay part of the cost of a loan recipient's project. In-kind contributions will not be considered. Funds from other sources as a percentage of the RFP grant and points corresponding to such percentages are as follows:     i. Less than 20 percent--ineligible.     ii. At least 20 percent but less than 50 percent--10 points.     iii. 50 percent or more--20 points.     d. Extent to which the goals and objectives are clearly defined, tied to the work plan, and are measurable; Up to 15 points.     e. Lowest ratio of projected administrative expenses to loans advanced; Up to 10 points.     f. The evaluation methods for considering loan applications and making RFP loans are specific to the ***program***, clearly defined, measurable, and are consistent with ***program*** outcomes; Up to 20 points.     g. Administrator's discretion points up to 10 points may be awarded. To the maximum extent possible, there should be an emphasis on high poverty areas in rural communities and rural areas with the lowest incomes, particularly those areas with emphasis to areas where at least 45 percent of children qualify for the National School Lunch ***Program***. Factors include:     i. Directs loans to the smallest communities with the lowest incomes emphasizing areas where according to the American Community Survey data by census tracts show that at least 20 percent of the population is living in poverty.     ii. Directs loans to areas which lack running water, flush toilets, and modern sewage disposal systems, and areas which have open sewers and high rates of disease caused by poor sanitation, in particular, Colonias or Substantially Underserved Trust Areas.     iii. Directs loans that emphasize energy and water efficient components to reduce costs and increase sustainability of rural systems. 2. Review and Selection Process     RUS will rank all qualifying applications by their final score. Applications will be selected for funding, based on the highest scores and the availability of funding for RFP grants. Each applicant will be notified in writing of the score its application receives. This ***year*** administrative discretion points may be awarded for work plans that:     a. Direct loans to the smallest communities with the lowest incomes emphasizing areas where according to the American Community Survey data by census tracts show that at least 20 percent of the population is living in poverty.     b. Direct loans to areas that lack running water, flush toilets, and modern sewage disposal systems, and areas which have open sewers and high rates of disease caused by poor sanitation, in particular, Colonias or Substantially Underserved Trust Areas.     c. Direct loans that emphasize energy and water efficient components to reduce costs and increase sustainability of rural systems.     d. In making its decision about your application, RUS may determine that your application is:     i. Eligible and selected for funding,     ii. Eligible but offered fewer funds than requested,     iii. Eligible but not selected for funding, or     iv. Ineligible for the grant.     e. In accordance with 7 CFR part 1900, subpart B, you generally have the right to appeal adverse decisions. Some adverse decisions cannot be appealed. For example, if you are denied RUS funding due to a lack of funds available for the grant ***program***, this decision cannot be appealed. However, you may make a request to the National Appeals Division (NAD) to review the accuracy

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of our finding that the decision cannot be appealed. The appeal must be in writing and filed at the appropriate regional office, which can be found at [*www.nad.usda.gov*](http://www.nad.usda.gov) or by calling (703) 305-1166.

F. Federal Award Administration Information

1. Federal Award Notices     RUS generally notifies by mail applicants whose projects are selected for awards. However, the receipt of an award letter does not serve to authorize the applicant to commence performance under the award. RUS follows the award letter with an agreement containing terms and conditions for the grant. Applicants selected for funding will complete and return grant agreement, which outlines the terms and conditions of the grant award. 2. Administrative and National Policy Requirements     The items listed in Section D of this notice, the RFP ***program*** regulation and departmental and other regulations including 2 CFR parts 180, 182, 200, 400, 421, and any successor regulations implement the appropriate administrative and national policy requirements, which include but are not limited to:     a. SF-270, ``Request for Advance or Reimbursement,'' will be completed by the Non-Federal Entity and submitted to either the state or national office no more frequently than monthly.     b. Upon receipt of a properly completed SF-270, the funds will be requested through the field office terminal system. Ordinarily, ***payment*** will be made within 30 days after receipt of a proper request for reimbursement.     c. Non-Federal Entities may use women- and minority-owned banks (a bank which is owned at least 50 percent by women or minority group members) for the deposit and disbursement of funds. 3. Reporting     a. Any change in the scope of the project, budget adjustments of more than 10 percent of the total budget, or any other significant change in the project must be reported to and approved by the approval official by written amendment to the grant agreement. Any change not approved may be cause for termination of the grant.     b. Non-Federal Entities shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. The Non-Federal Entity will provide project reports as follows:     i. SF-425, ``Financial Status Report (short form),'' and a project performance activity report will be required of all Non-Federal Entities on a quarterly basis, due 30 days after the end of each quarter.     ii. A final project performance report will be required with the last SF-425 due 90 days after the end of the last quarter in which the project is completed. The final report may serve as the last quarterly report.     iii. All multi-State Non-Federal Entities are to submit an original of each report to the National Office. Non-Federal Entities serving only one State are to submit an original of each report to the State Office. The project performance reports should detail, preferably in a narrative format, activities that have transpired for the specific time period.     c. Financial reporting. The Non-Federal Entity will provide an audit report or financial statements as follows:     i. Non-Federal Entities expending $750,000 or more Federal funds per fiscal ***year*** will submit an audit conducted in accordance with 2 CFR part 200. The audit will be submitted within nine months after the Non- Federal Entity's fiscal ***year***. Additional audits may be required if the project period covers more than one fiscal ***year***.     ii. Non-Federal Entities expending less than $750,000 will provide annual financial statements covering the grant period, consisting of the organization's statement of income and expense and balance sheet signed by an appropriate official of the organization. Financial statements will be submitted within 90 days after the Non-Federal Entity's fiscal ***year***.     iii. Recipient and Subrecipient Reporting. The applicant must have the necessary processes and systems in place to comply with the reporting requirements for first-tier sub-awards and executive compensation under the Federal Funding Accountability and Transparency Act of 2006 in the event the applicant receives funding unless such applicant is exempt from such reporting requirements pursuant to 2 CFR part 170, Sec.  170.110(b). The reporting requirements under the Transparency Act pursuant to 2 CFR part 170 are as follows:     (1) First Tier Sub-Awards of $25,000 or more in non-Recovery Act funds (unless they are exempt under 2 CFR part 170) must be reported by the Recipient to [*http://www.fsrs.gov*](http://www.fsrs.gov) no later than the end of the month following the month the obligation was made.     (2) The Total Compensation of the Recipient's Executives (five most highly compensated executives) must be reported by the Recipient (if the Recipient meets the criteria under 2 CFR part 170) to   [*https://www.sam.gov/portal/SAM/#1*](https://www.sam.gov/portal/SAM/#1) by the end of the month following the month in which the award was made.     (3) The Total Compensation of the Subrecipient's Executives (five most highly compensated executives) must be reported by the Subrecipient (if the Subrecipient meets the criteria under 2 CFR part 170) to the Recipient by the end of the month following the month in which the subaward was made.

G. Federal Awarding Agency Contacts

    1. Website: [*http://www.rd.usda.gov/****programs****-services/water-waste-disposal-revolving-loan-funds*](http://www.rd.usda.gov/programs-services/water-waste-disposal-revolving-loan-funds). The RUS website maintains up-to-date resources and contact information for the RFP.     2. Phone: (202) 720-9640.     3. Fax: (202) 690-0649.     4. Email: [*derek.jones@wdc.usda.gov*](mailto:derek.jones@wdc.usda.gov)     5. Main point of contact: Derek Jones, Community ***Programs*** Specialist, Water and Environmental ***Programs***, Rural Utilities Service, Rural Development, U.S Department of ***Agriculture***.

H. Other Information

1. USDA Non-Discrimination Statement     In accordance with Federal civil rights law and U.S Department of ***Agriculture*** (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA ***programs*** are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance ***program***, political beliefs, or reprisal or retaliation for prior civil rights activity, in any ***program*** or activity conducted or funded by USDA (not all bases apply to all ***programs***). Remedies and complaint filing deadlines vary by ***program*** or incident.     Persons with disabilities who require alternative means of communication for ***program*** information (e.g , Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, ***program*** information may be made available in languages other than English.

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    To file a ***program*** discrimination complaint, complete the USDA ***Program*** Discrimination Complaint Form, AD-3027, found online at [*http://www.ascr.usda.gov/complaint\_filing\_cust.html*](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:     (1) Mail: U.S Department of ***Agriculture***, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250-9410;     (2) fax: (202) 690-7442; or     (3) email: [***program****.intake@usda.gov*](mailto:program.intake@usda.gov)     USDA is an equal opportunity provider, employer, and lender.

    Dated: June 1, 2018. Kenneth L. Johnson, Administrator, Rural Utilities Service. [FR Doc. 2018-13235 Filed 6-19-18; 8:45 am] BILLING CODE 3410-15-P

**Load-Date:** June 21, 2018

**End of Document**



[***Washington: DIRECTING THE SECRETARY OF AGRICULTURE TO TRANSFER CERTAIN FEDERAL LAND TO FACILITATE SCIENTIFIC RESEARCH (House of Representatives - March 13, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RWJ-R201-F0YC-N1WX-00000-00&context=1516831)

Impact News Service

March 14, 2018 Wednesday

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**Length:** 1164 words

**Body**

Washington: The Library of Congress, The Government  of USA has issued the following house proceeding:

 Mr. CURTIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R 1800) to direct the Secretary of ***Agriculture*** to ***transfer*** certain Federal land to facilitate scientific research supporting Federal space and defense ***programs***, as amended. The Clerk read the title of the bill. The text of the bill is as follows: H.R 1800 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. LAND CONVEYANCE, WASATCH-CACHE NATIONAL FOREST, RICH COUNTY, UTAH. (a) Land Conveyance Authorized.--Subject to valid existing rights, not later than 6 months after the date of the enactment of this section, the Secretary of ***Agriculture*** shall convey, without consideration, to the Utah State University Research Foundation, (in this section referred to as the ``Foundation'') all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 80 acres, including improvements thereon, located outside of the boundaries of the Wasatch-Cache National Forest, Rich County, Utah, within Sections 19 and 30, Township 14 North, Range 5 East, Salt Lake Base and Meridian for the purpose of permitting the Foundation to use the property for scientific and educational purposes.

(b) Reversionary Interest.--If the Secretary of ***Agriculture*** determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title and interest in and to such real property, including any improvements thereto, shall, at the option of the Secretary, revert to and become the property of the United States, and the United States shall have the right of immediate entry onto such real property. A determination by the Secretary under this subsection shall be made on the record after an opportunity for a hearing. (c) ***Payment*** of Costs of Conveyance.-- (1) ***Payment*** required.--The Secretary of ***Agriculture*** shall require the Foundation to cover the costs (except any costs for environmental remediation of the property) to be incurred by the Secretary, or to reimburse the Secretary for such costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs for environmental documentation, and any other administrative costs related to the conveyance. If amounts are collected from the Foundation in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Foundation. (2) Treatment of amounts received.--Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover those costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account. (d) Description of Property.--The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary of ***Agriculture***. (e) Additional Terms and Conditions.--The Secretary of ***Agriculture*** may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States. The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. Curtis) and the gentleman from California (Mr. Lowenthal) each will control 20 minutes. The Chair recognizes the gentleman from Utah. General Leave Mr. CURTIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah? There was no objection. Mr. CURTIS. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. Bishop). Mr. BISHOP of Utah. Mr. Speaker, this bill involves 80 acres of land controlled by the Forest Service but not in the actual national forest. Over the past 50 ***years***, this land has been used by the Space Dynamics Laboratory, by NASA, by the Naval Research Laboratory, and they have a great deal of infrastructure on this land. Unfortunately, the Forest Service decided to list this as disposable lands without contacting anybody, and now they don't have the ability of going back and delisting it so these groups can actually use this land for what they have been doing for the last 50 ***years***. Mr. Speaker, this bill is the cleanest and simplest way of simply ***transferring*** control of this land back to the entity which is using it now so they can continue their research, much of which is done in support of our military. It is a simple and easy and correct way to solve an administrative lapse, and I urge its adoption. Mr. LOWENTHAL. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I support this legislation and its adoption by the House. H.R 1800 authorizes the ***transfer*** of 80 acres of Forest Service land to the Utah State University Research Foundation. The land will support ongoing research efforts that support national defense and space ***programs***. The idea that there should be national public lands that belong to and are managed on behalf of the American people is a value that dates back to the founding of our country and is embedded in our Constitution. Generation after generation of Americans have endorsed the idea that our public lands should be managed for the benefit of all Americans to support a wide range of activities. As stewards of this land, we must work to find a balance between compelling yet sometimes competing interests and make sure that the Federal Government is a good neighbor to local communities. Whenever we decide that it is appropriate to sell or convey these shared resources, we must make sure there is adequate compensation to Federal taxpayers or safeguards in place to guarantee that the land is used for public purposes. Mr. Speaker, I thank Chairman Bishop for working across the aisle to ensure that we met these goals in this legislation. I support H.R 1800 and its adoption, and I yield back the balance of my time. [[Page H1517]] Mr. CURTIS. Mr. Speaker, I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. Curtis) that the House suspend the rules and pass the bill, H.R 1800, as amended. The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed. A motion to reconsider was laid on the table.

**Load-Date:** March 16, 2018

**End of Document**



[***Council of the European Union:3580 Competitiveness (Internal Market, Industry, Research and Space) ST 15212 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R89-XVM1-JDG9-Y2MN-00000-00&context=1516831)

Impact News Service

December 23, 2017 Saturday

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**Length:** 7012 words

**Body**

Brussels: Council of the European Union has issued the following document:

P R E S S Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6319 Fax: +32 (0)2 281 8026 [*press.office@consilium.europa.eu*](mailto:press.office@consilium.europa.eu) [*http://www.consilium.europa.eu/press*](http://www.consilium.europa.eu/press) 15212/17 1 EN Council of the European Union EN 15212/17 (OR. en) PRESSE 66 PR CO 66 OUTCOME OF THE COUNCIL MEETING 3580th Council meeting Competitiveness (Internal Market, Industry, Research and Space) Brussels, 30 November and 1 December 2017 Presidents Kadri Simson Minister for Economic Affairs and Infrastructure of Estonia Mailis Reps Minister of Education and Research of Estonia Urve Palo Minister for Entrepreneurship and Information Technology of Estonia 30 November and 1 December 2017 1  Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.  Documents for which references are given in the text are available on the Council's internet site (   [*http://www.consilium.europa.eu*](http://www.consilium.europa.eu)).  Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

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INDUSTRY Single digital gateway The Council reached an agreement on a general approach to establish a single digital gateway to help citizens and businesses solve problems and exercise their rights in relation to the EU's internal market. A Council general approach enables negotiations with the European Parliament to begin. The adoption of amendments at the Parliament's IMCO committee is planned for February 2018. The single digital gateway will be a virtual one-stop-shop allowing easy cross-border access to EU single market- related national rules and procedures to reduce the administrative burden for businesses and citizens. See press release: Digital Single Gateway: Council agrees to make access to information and services easier The future of EU industrial policy The Council held a public debate and adopted conclusions on a future EU industrial policy strategy. The debate was based on a report tabled by the Presidency. The conclusions call on the Commission to develop a forward-looking EU industrial strategy with a focus on 2030 and beyond. The strategy should present medium to long term objectives and an action plan with concrete measures developed in close consultation with the member states and relevant stakeholders. 30 November and 1 December 2017 15212/17 5 EN The conclusions also invite the Commission to consider a concrete mechanism to effectively monitor the implementation of the strategy. In this context, the Commission is requested to regularly report to the Competitiveness Council with a view to the spring economic EU summits, starting in 2018. The conclusions of the European Council of 23 June 2017 called for a future industrial policy strategy, underlined the essential role of industry as a major driver for growth, employment and innovation in Europe and called for concrete action to ensure a strong and competitive industrial base in the single market. Competitiveness check-up: objectives of the industrial policy The Commission gave a brief presentation of its communication on 'Investing in smart, innovative and sustainable industry: A renewed EU Industrial Policy Strategy', issued on 13 September 2017. It also presented an analysis of the current situation and perspectives of the European industrial sector compared with other powerful economies in the world. The analysis was based on a number of parameters which included trends on industrial production, manufacturing employment, innovation, the use of technology in European companies and levels of digital skills. The Commission reiterated the need for a joint action at European, national and regional level to help reindustrialise Europe. Ministers also listened to a presentation by Philippe Citroën, Director General of UNIFE, the European rail manufacturing industry association, representing the coalition '#Industry4Europe'. The speaker underlined the main challenges that European industry faces today and possible measures to improve the competitiveness of the industrial sector. Ulrich Schuh, the chair of the High Level Group on Competitiveness and Growth the Competitiveness Council think-tank, briefed ministers on the outcome of preparatory discussions. 30 November and 1 December 2017 15212/17 6 EN A large number of member states demanded transparent long term objectives for industrial policy that would reflect an ambitious strategy. Some member states considered the definition of objectives as necessary preconditions for developing a process of monitoring and evaluation. The 'competitiveness check-up' allows ministers to put forward priorities and respond to urgent issues and developments in the real economy. It is a regular working method that was established in 2015 and aims to improve the role of the Competitiveness Council as regards the analysis of horizontal and sectoral economic issues as well as the monitoring of competitiveness mainstreaming. In practice, it is based on a presentation by the Commission of the latest figures and trends related to micro-economic issues, with ministers being invited to respond and provide input on possible implications for EU companies and citizens. \* \* \* During the informal working lunch, ministers discussed the future of the car industry in the context of digitalisation, decarbonisation and globalisation with Elżbieta Bieńkowska, Commissioner for single market, industry, entrepreneurship and SMEs. 30 November and 1 December 2017 15212/17 7 EN RESEARCH AND INNOVATION Addressing global challenges through R&I: a mission-oriented approach During a public session, ministers addressed ways to develop a mission-oriented approach to research and innovation (R&I) for the next EU research framework ***programme***. The outcome of the debate will feed into upcoming discussions on preparations for the next framework ***programme***. The debate was structured by means of a background document tabled by the Presidency. Ministers expressed preliminary views on the aspects and characteristics to be considered as part of the process to define the concept, criteria and goals of future missions. All delegations agreed on the need to explore new ways to achieve a greater impact and make research and innovation more inclusive of relevant players and citizens. The Commission announced the preparation, in cooperation with the member states, of examples of possible missions and a public consultation early next ***year***. This approach is based on a recommendation made in a report delivered by a group of independent experts chaired by Pascal Lamy last July on how to maximise the impact of EU research and innovation ***programmes***. The report points out that further investment and an increase in the impact of R&I would be key elements in the provision of solutions to global challenges and improvements in the well-being of European citizens. Of a total of eleven recommendations, the group recommended the implementation of a mission-oriented, impact-focused approach to address global challenges for the ninth EU framework ***programme***, which will be the successor of the Horizon 2020 ***programme***. 30 November and 1 December 2017 15212/17 8 EN According to the report, the post-2020 EU R&I ***programme*** should translate global societal challenges (social, economic, environmental) into a limited number of large-scale research and innovation 'missions'. These missions should mobilise researchers, innovators, investors and other relevant players to induce action across disciplines, sectors and institutional silos. They should also allow better communication of the benefits to the public. At a conference organised by the Estonian Presidency on 'European research excellence – Impact and value for society', held in Tallinn on 12 October 2017, participants committed to the 'Tallinn call for action', which aims to mobilise support for research and innovation in Europe. In particular, the 'Tallinn call for action' stresses the responsibility of policy makers, researchers, businesses and journalists in ensuring that research is a real priority in EU policy making, and in increasing trust in research. The ministerial debate was preceded by a working lunch with a presentation by Professor Mariana Mazzucato on a mission-oriented approach in R&I. Professor Mazzucato is director of the Institute for Innovation and Public Purpose at University College London. She will advise Commissioner Carlos Moedas on mission-oriented innovation policies addressing major challenges. From the interim evaluation of Horizon 2020 towards the ninth framework ***programme*** The Council held a public debate and adopted the conclusions: 'From the interim evaluation of Horizon 2020 towards the ninth framework ***programme***' Building on the lessons learnt from the interim evaluation of Horizon 2020, the conclusions address key messages to be taken into account in preparation for the next EU multiannual ***programme*** for R&I. 30 November and 1 December 2017 15212/17 9 EN In particular, the conclusions provide guidance on a set of principles which include: • building a R&I ecosystem at the service of the economy and society • continuous dialogue between the Commission and the member states • the rationalisation of the R&I funding landscape • openness, accessibility and simplification • aspects of implementation Horizon 2020, the EU framework ***programme*** for R&I from 2014 to 2020, was designed to drive economic growth and create jobs by combining R&I with excellent science, industrial leadership and willingness to tackle societal challenges. This three-pillar structure was one of the novelties of the ***programme***. The interim evaluation has shown that the three pillars and the core principle of excellence across the entire ***programme*** have attracted large support from stakeholders. However, there have been calls to improve the ***programme*** by fine-tuning the pillars, improving their internal coherence and maximising their mutually reinforcing impact. The findings from the interim evaluation of Horizon 2020 show that the impact of the framework ***programme*** is real and large in many aspects, even if it is not always fully visible. On 30 May 2017, the Commission presented the interim evaluation of Horizon 2020. On 6 October 2017, the Commission published the interim evaluation of the Joint Undertakings operating under Horizon 2020 and the participation of the EU in research and development ***programmes*** undertaken by several member states. On 19 October 2017, the Commission issued the interim evaluation of the European Institute of Innovation and Technology (EIT). 30 November and 1 December 2017 15212/17 10 EN SPACE POLICY EU space ***programmes***: the way forward During a public session, the Council discussed the way forward for the EU space ***programmes***. The outcome of the debate will provide input for upcoming discussions on the preparations for the future of the EU space ***programmes*** and initiatives, which might start in 2018. The exchange of views was conducted on the basis of a Presidency background document, and taking into account the broader context of the EU's industrial policy and digital agenda and their impact on space. Ministers agreed on the importance of ensuring the continuation of the ***programmes***. The Director General of the European Space Agency (ESA), Johann Dietrich Wörner, participated in the meeting. Europe owns world-class space systems with Copernicus1 for Earth observation, EGNOS2 and Galileo3 for satellite navigation and geo-positioning. Space technologies, data and services have become indispensable in the daily lives of European citizens: when using mobile phones and car navigation systems, watching satellite TV or withdrawing cash. They support numerous EU policies and key political priorities, including the competitiveness of our economy, migration, climate change, the digital single market and the management of natural resources. The combination of space data with digital technologies opens up many business opportunities for all member states. 1 European Earth Observation ***Programme***. 2 European Geostationary Navigation Overlay Service, which augments GPS signals over Europe. 3 European Global Navigation Satellite System, similar to GPS. 30 November and 1 December 2017 15212/17 11 EN Space policy can help boost jobs, growth and investments in Europe. Investing in space pushes the boundaries of science and research. Space is also of strategic importance as it reinforces Europe’s role as a stronger global player and is an asset for its security and defence. For this reason, the EU will invest overall EUR 12 billion in space activities for the period 2014 to 2020. On 26 October 2016, the Commission presented a communication on the Space strategy for Europe with the aim of developing and creating new services and promoting Europe's leadership in space. Copernicus mid-term review The Council adopted conclusions on the mid-term review of the Copernicus space ***programme***: Copernicus space ***programme***: conclusions on mid-term review Copernicus is the EU space flagship ***programme*** aimed at developing European information services based on satellite earth observation. The conclusions build on the mid-term evaluation of the Copernicus ***programme*** (2014-2020) carried out by the Commission, which was published on 23 October (13599/17). These conclusions contain key elements for the preparation of the next generation of the ***programme***. The current situation and future perspectives of the Copernicus ***programme*** were the subjects of preliminary discussions at the EU-ESA informal space ministerial meeting held in Tallinn, Estonia, on 7 November 2017. 30 November and 1 December 2017 15212/17 12 EN ANY OTHER BUSINESS – Geo-blocking The Estonian Presidency briefed the Council on the agreement reached with the European Parliament on 21 November on a draft regulation to prevent unjustified geo-blocking in the internal market. The agreement was endorsed by Coreper on 29 November. See press release: Geo-blocking: EU ambassadors confirm agreement on removing barriers to e-commerce – Digital Single Market strategy: progress on implementation The Commission gave information on progress made on the implementation of the digital single market strategy. It also encouraged member states to intensify efforts to speed up the legislative process of the various ongoing initiatives in order for the digital single market to become a reality as soon as possible. The Tallinn Digital Summit on 29 September 2017 sent a strong message on the need for a stronger and more coherent digital Europe. The EU summit on 22-23 June 2017 reviewed the progress made on the implementation of the strategy. The European Council conclusions of 28 June 2016 called on the Council of Ministers to report annually on the progress made on deepening the single market, starting in June 2017. 30 November and 1 December 2017 15212/17 13 EN – European SME action ***programme*** The Council took note of information provided by the German delegation and by the Commission on the annual report of the SME Envoy Network and the European SME action ***programme*** (14888/17). The 2017 SME Assembly took place in Tallinn, Estonia, from 22 to 24 November 2017. The SME Assembly is part of the European SME Week, a pan-European campaign with events and awards, such as the European Enterprise Promotion Awards, aiming to promote entrepreneurship in Europe. The 2017 edition was emboldened by the encouraging results published in the Annual report on EU SMEs. The report shows that European SMEs are recovering from the crisis, which benefits the whole EU economy. 2016 was the third consecutive ***year*** where there was a steady increase in EU SME employment and value added. – Unitary Patent Protection system The Council took note of updated information on the state of play of the Unitary Patent and the Unified Patent Court (UPC). The Commission and several member states invited those countries which have either not yet ratified the UPC agreement, or have not yet endorsed the Provisional Application Protocol, to do so as soon as possible. The Unified Patent package is built on three pillars: – a regulation establishing unitary patent protection – a regulation on the translation arrangements – an intergovernmental agreement setting up the UPC for the settlement of disputes relating to European patents and European patents with unitary effect 30 November and 1 December 2017 15212/17 14 EN The two regulations were adopted under the enhanced cooperation procedure, with Italy and Spain not participating initially. In September 2015, Italy confirmed its participation in the system. Croatia, which was not an EU member state at the time, is not yet participating. The UPC agreement was signed on 13 February 2013 by all member states except Spain, Poland (although Poland participates in the enhanced cooperation) and Croatia. As of today, the UPC agreement has been ratified by 14 member states. To take effect, the package requires ratification of the UPC agreement by 13 member states including France, Germany and the United Kingdom. Ratification details of the UPC agreement can be found in the database. – Public procurement package The Commission presented a package of initiatives put forward on 3 October 2017 to carry out procurement procedures more efficiently and make full use of digital technologies to simplify and accelerate those procedures. The purpose is to increase the impact of public investment through efficient and professional procurement. The Commission reiterated the strategic importance of public procurement in spurring innovation, fostering competitiveness and supporting the economy. (Commission press release) 30 November and 1 December 2017 15212/17 15 EN – European Defence Industrial Development ***Programme*** The Presidency briefed the Council on the progress made regarding a proposal for establishing a European Defence Industrial Development ***Programme*** (EDIDP). As a follow-up to the European Defence Action Plan, the Commission submitted a proposal for establishing the EDIDP on 7 June 2017. The purpose of the EDIDP is to enhance cross-border cooperation among the EU's defence industries and to increase the competitiveness of the whole defence industrial sector through the joint development and joint procurement of key defence capabilities. The proposed ***programme*** would cover the ***years*** 2019-2020 for a total amount of EUR 500 million. It would provide incentives for starting collaborative development projects relating to the security and defence interests of the EU and would supplement national financing by the member states of those projects. The overall aim is to support industry in the development phase for collective investments in cutting-edge products and technology. The Estonian Presidency set up a specific Friends of the Presidency group for examining the Commission's EDIDP proposal, with the aim of adopting a general approach at the General Affairs Council by the end of 2017. – Traceability of tobacco products The Council took note of concerns by the Hungarian delegation regarding a draft implementing regulation on technical standards for the establishment and operation of a traceability system for tobacco products. In particular, on the possible negative impact of the implementation of the new scheme for small manufacturers and economic operators. The Danish and the Slovak delegations shared some of these concerns. 30 November and 1 December 2017 15212/17 16 EN The Commission argued that the new measures are necessary to protect public health and that the new system is expected to bring transparency and to create a level playing field for economic operators. The Tobacco Products Directive entered into force on 19 May 2014 and became applicable in EU countries on 20 May 2016. The directive lays down rules governing the manufacture, presentation and sale of tobacco and related products, including cigarettes, roll your own tobacco, pipe tobacco, cigars, cigarillos, smokeless tobacco, electronic cigarettes and herbal products for smoking. The directive transposes into EU law the Protocol to eliminate Illicit trade of Tobacco products to the WHO Framework Convention on Tobacco Control (FCTC), by introducing an EU-wide tracking and tracing system. In accordance with the implementation plan of the directive, an implementing act laying down the technical standards of the tracking and tracing system should be adopted before the end of 2017. – Open Science The Commission briefed the Council on the state of play regarding open science, in response to the Council conclusions from May 2016, which called on the Commission to inform the member states and the stakeholders on developments and outputs of the Open Science Policy Platform at least twice a ***year*** (14881/17). – Construction of the laser facility 'Extreme light infrastructure' The Council took note of information on the progress of the Extreme Light Infrastructure (ELI) project (14419/17). A presentation was given by Carlo Rizzuto, Director General of the ELI Delivery Consortium. The ELI project – selected and proposed by the European Strategy Forum on Research Infrastructure (ESFRI), and endorsed by the EU – is positioned to be one of the world’s foremost laser facilities, and is the first such facility to be built on the basis of international efforts and fully conceived and implemented to serve external users. 30 November and 1 December 2017 15212/17 17 EN ELI will be at the forefront of laser technology and open up new research and technology development opportunities with significant potential impact on a broad range of scientific disciplines and in terms of economic returns. As such, ELI constitutes a vital strategic capability for European scientists and industry. The construction of the ELI facility in the Czech Republic, Hungary and Romania, the three host countries, has been implemented based on national funding (15%) and EU structural funding (85%). Over 1 500 researchers from more than 150 research institutions of non-host countries are involved in scientific collaborations with the three ELI research infrastructure pillars. The project is nearing completion and is about to enter the operations phase. – Work ***programme*** of the incoming Presidency The Bulgarian delegation gave an overview of the priorities in the field of competitiveness under its Presidency term in the first half of 2018. On industrial policy and entrepreneurship, the priorities will include the future of industrial policy in Europe and support for start-up and scale-up enterprises. The Bulgarian Presidency will also focus on the ongoing and forthcoming initiatives relating to the single market and the digital single market strategies. In the field of research and innovation, it will pay particular attention to aligning EU and national R&I objectives in order to provide input with a view to preparations for the next framework ***programme***. Other aspects will include ***transfer*** of knowledge, data and research results and the ITER project. The implementation of the EU's space strategy will be a top priority. A ministerial discussion is planned on space matters on 13 March 2018. The incoming Presidency also announced an informal meeting of EU ministers in charge of competitiveness in Sofia, from 31 January to 2 February 2018. 30 November and 1 December 2017 15212/17 18 EN OTHER ITEMS APPROVED INTERNAL MARKET Consumer protection in the digital age: EU-wide cooperation between national authorities The Council adopted a regulation to strengthen cooperation between EU national authorities responsible for the enforcement of consumer protection laws. The regulation aims at modernising cooperation mechanisms to further reduce the harm caused to consumers by cross-border infringements of EU consumer law. Effective consumer protection needs to respond in particular to the challenges of the digital economy and the development of cross-border retail trade in the EU. The new rules will help increase citizens' and companies' trust in e-commerce. The adoption follows an agreement reached with the European Parliament on 21 June 2017. See press release Consumer protection in the digital age: Council adopts regulation to strengthen EU-wide cooperation Statements: 14768/1/17 REV 1 ADD 1 FOREIGN AFFAIRS CARIFORUM-EU Economic Partnership Agreement The Council authorised the opening of negotiations with the CARIFORUM states for an agreement on the protection of geographic indications based on Article 145 of the CARIFORUM Agreement. The subject of the negotiations is the protection of Geographical Indications (GIs) of ***agricultural*** and fishery products, foodstuffs, wines, spirits and other alcoholic beverages. Economic Partnership Agreement Joint communiqué following the 4th meeting of CARIFORUM-EU Council of 17 November 2017 30 November and 1 December 2017 15212/17 19 EN EU relations with Canada The Council adopted a decision authorising the EU to adopt the rules of procedure of the Joint Cooperation Committee established by the Strategic Partnership Agreement between the EU and Canada, as well as the terms of Reference of the Joint Cooperation Committee and sub-committees. The Council also approved the draft joint ministerial statement to be adopted at the first meeting of the Joint Cooperation Committee. The meeting will take place on 4 December 2017 in Brussels. EU-Canada joint ministerial committee meeting, 04/12/2017 EU-Mongolia Framework Agreement on Partnership and Cooperation The Council adopted a Protocol to the Framework Agreement on Partnership and Cooperation between the European Union and its member states and Mongolia to take account of the accession of Croatia to the European Union. The Council also approved the Croatian language version of the Framework Agreement on Partnership and Cooperation between the European Union and its member states and Mongolia. Framework Agreement on Partnership and Cooperation Factsheet on the EU-Mongolia Framework Agreement on Partnership and Cooperation EU-Philippines Framework Agreement on Partnership and Cooperation The Council adopted a Protocol to the Framework Agreement on Partnership and Cooperation between the European Union and its member states and the Philippines to take account of the accession of Croatia to the European Union. The Council approved the Croatian language version of the Framework Agreement on Partnership and Cooperation between the Eu

ropean Union and its member states and the Philippines. Framework Agreement on partnership and cooperation between the EU and the Philippines 30 November and 1 December 2017 15212/17 20 EN EU terrorist list The Council updated the statements of reasons for listing two terrorist groups subject to restrictive measures, namely Hamas, including ‘Hamas-Izz al-Din al-Qassem', and the Al-Aqsa Martyrs Brigade. The legal acts, including the modified statements of reasons, are included in the Official Journal of 1 December 2017. EU terrorist list Economic sanctions on Russia over actions destabilising the situation in Ukraine The Council adopted a derogation to the economic sanctions on Russia which was necessary so that the sanctions would not affect the European space industry. The derogation concerns the export of hydrazine, a product that falls under the category of fuels and related substances referred to in the common military list of the EU. This substance is needed in space ***programmes*** operated by the EU, its member states or the European Space Agency. In particular, extremely highly concentrated hydrazine is required as a propellant for part of the ExoMars 2020 mission. ExoMars 2020 is an important scientific mission to land a rover on Mars for the first time and search for signs of life there. It forms part of a European Space Agency ***programme***. Its launch is planned for July 2020. Extremely highly concentrated hydrazine is produced within the EU and needs to be exported to Russia for use in the preparation and implementation of the mission. Roscosmos, the Russian space agency, is a partner in the ***programme***. Technical changes have been made to the EU legislation in force regarding restrictive measures against Russia in order to allow for the necessary quantity of hydrazine to be exported to complete this mission. The changes to the legislation do not otherwise affect EU sanctions with respect to Russia in any way. Each request for export needs to be authorised by the competent authority of the relevant EU member state. EU restrictive measures in response to the crisis in Ukraine European Space Agency 30 November and 1 December 2017 15212/17 21 EN ECONOMIC AND FINANCIAL AFFAIRS Money laundering - Ethiopia The Council decided not to object to a Commission regulation amending regulation 2016/1675 on money laundering and terrorist financing, adding Ethiopia to a list of high-risk countries (14371/17 + 13833/17). The regulation is a delegated act pursuant to Article 290 of the Treaty on the Functioning of the European Union. It can now enter into force, unless the European Parliament objects. BUDGET 2018 EU budget - approval by the Council The Council gave its final go-ahead to the 2018 EU budget by approving the deal reached with the European Parliament on 18 November (14587/17 + 14587/17 ADD 1 + 14587/17 ADD 2 + 14587/17 ADD 3 + 14587/17 ADD 4 + 14587/17 ADD 5). Following the Parliament's endorsement on 30 November, the budget is considered adopted. The 2018 EU budget is set at €160.1 billion in commitments. A margin of €1.6 billion is left under the expenditure ceilings of the multiannual financial framework for 2014-2020, allowing the EU to react to unforeseen needs. Total ***payments*** amount to €144.7 billion, rising 14.1% from 2017. ***Payments*** will increase significantly because the implementation of the 2014-2020 ***programmes*** is expected to reach full speed in 2018. The 2018 EU budget continues to focus on measures aimed at tackling the migration crisis, reinforcing security, boosting growth and creating jobs. It also strengthens support for young people, while cutting pre-accession funds for Turkey. For details, see press release 30 November and 1 December 2017 15212/17 22 EN Approval of other measures agreed with the Parliament The Council also confirmed the agreement reached with the Parliament on 18 November regarding: − the mobilisation of the Flexibility Instrument in 2018 for an amount of €837.2 million in commitments in heading 3 (Security and citizenship) to finance measures in the field of migration, refugees and security (14588/17); − the mobilisation of the EU Solidarity Fund in 2018 for a total amount of €50 million in commitments and ***payments*** to allow the timely ***payment*** of advances in case of natural disasters in member states or in a country involved in accession negotiations with the European Union (14589/17); − the amendment to the decision on the mobilisation of the Contingency Margin in 2017 by decreasing the amount offset in heading 5 in 2018 and introducing a corresponding offset in heading 5 in 2020 (14669/17). In addition, on 27 November 2017 the Council approved by written procedure the Commission’s proposal to update the figures for the 2017 budget by decreasing the planned commitments and ***payments*** by €61 million and €7.7 billion respectively (14273/17). The reduction in ***payments*** is due to delays in the implementation of the 2014-2020 ***programmes***. Following the Parliament's endorsement on 30 November, these measures are also considered adopted. Mobilisation of the European Globalisation Adjustment Fund for Greece and Finland The Council adopted a decision mobilising €2.9 million under the European Globalisation Adjustment Fund (EGF) to provide support to 725 dismissed workers made redundant in nine Greek enterprises operating in the retail trade, except motor vehicles and motorcycles sector (14057/17). The redundancies are the result of a continuation of the global financial and economic crisis. 30 November and 1 December 2017 15212/17 23 EN The Council also adopted a decision mobilising €2.5 million under the EGF to provide support to 1660 dismissed workers made redundant in three Finnish enterprises operating in the retail trade, except motor vehicles and motorcycles sector (14058/17). The redundancies are the result of a continuation of major structural changes in world trade patterns due to globalisation. The EGF helps workers to find new jobs and develop new skills when they have lost their jobs as a result of changing global trade patterns, e.g when a large company shuts down or a factory is moved outside the EU, or as a result of the global financial and economic crisis. The help provided by the EGF consists in co-financing measures such as job-search assistance, careers advice, tailor-made training and re-training, mentoring and promoting entrepreneurship. It also provides one-off, time-limited individual support, such as job-search allowances, mobility allowances and allowances for participating in lifelong learning and training activities. ***AGRICULTURE*** Extension of the International Sugar Agreement 1992 - Position of the EU The Council adopted a decision authorising the opening of negotiations to amend the International Sugar Agreement 1992 ('ISA'), notably in relation to the distribution of votes among members and their financial contribution. The EU is a party to the ISA and a member of the International Sugar Organization (the 'ISO'), an intergovernmental body devoted to improving conditions on the world's sugar market. The ISA entered into force on 1 January 1993. Since then, it has been regularly extended for periods of two ***years***. On 25 September 2017, the Council authorised the Commission to support the extension of the ISA for a further period of up to two ***years***, ending on 31 December 2019. 30 November and 1 December 2017 15212/17 24 EN TRANSPORT Eurocontrol Provisional Council - Aviation The Council took note of the preparations for the 48th meeting of Eurocontrol's Provisional Council being held in Brussels from 30 November to 1 December 2017. ENVIRONMENT Drinking water directive implementation in Bulgaria, Hungary and Romania The Council adopted conclusions on the European Court of Auditors' Special Report No 12/2017 entitled 'Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial'. The two main objectives of this audit were to assess drinking water quality and to ascertain whether EU actions have improved safe access to quality drinking water for citizens in Bulgaria, Hungary and Romania. The report concluded that citizens' access to, and the supply of, quality drinking water in these three member states have improved since their accession to the EU. However, there are certain areas where water from the public supply network is not fully in compliance with EU standards. In its conclusions, the Council invites the Commission and the member states to take the necessary measures to ensure that consumers have easy access to up-to-date information on the quality of drinking water, and also invites the member states to promote innovative technologies and practices to reduce water losses, thereby contributing to a sustainable and efficient use of water. The drinking water directive deals with the quality of water intended for human consumption. It aims at protecting human health from the adverse effects of any contamination of water intended for human consumption by ensuring that it is wholesome and clean. 30 November and 1 December 2017 15212/17 25 EN REGIONAL DEVELOPMENT Standard scales of unit costs to simplify use of the European Social Fund The Council decided not to object to a Commission regulation amending the existing standard scales of unit costs (SSUCs) for reimbursement of expenditure made in France, setting out additional SSUCs for Germany, setting out first-time SSUCs for Cyprus and correcting certain SSUCs for Sweden under the European Social Fund (ESF) (14396/17 + 13673/17 + 13673/17 ADD 1). The use of standard scales of unit costs is aimed at simplifying the life of ESF beneficiaries and redcucing the administrative burden. The regulation is a delegated act pursuant to Article 290 of the Treaty on the Functioning of the EU. It now can enter into force, unless the European Parliament objects.

**Load-Date:** December 26, 2017

**End of Document**



[***Emerging markets benefit from reinsurance programmes to protect against natural disasters***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4Y1-DXYV-7140-00000-00&context=1516831)

Oxford Business Group: Articles

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**Body**

While advanced economies generate the vast majority of insurance and reinsurance business, emerging markets are posting higher rates of growth. Complementing this underlying trend is the strong and expanding interest in catastrophic risk, which by nature tends to pertain to emerging markets.

This is coming alongside fast-paced, sector-transforming innovation, which could provide a significant boost to industries in less-developed economies. "You have nothing but opportunity: big populations and tonnes of risks," Tom Johansmeyer, assistant vice-president of property claim services at ISO Claims Analytics, a division of Verisk Insurance Solutions, told OBG.

**By the Numbers**

In terms of simple throughput, insurance remains very much centred in North America, Europe and mature Asian markets. With long histories of trading risk, a general acceptance of the relevant products, and massive and increasingly vulnerable asset bases that need protection, developed economies generate steady volumes. According to insurance group Munich Re, in 2016 North America paid 31.1% of global premium, Western Europe paid 28.8% and the more advanced Asian markets, such as Japan, paid 19.8%.

However, growth rates in emerging markets outpace them by far: according to global accountancy EY, life premium in developing markets rose by 7.8% in 2014, while advanced markets grew by 4%. Those rates were 13.2% and 3.4% in 2015, respectively, 20.1% and 2% in 2016 and an estimated 14.9% against 2.1% in 2017. Particularly strong growth was noted in the life segments in Vietnam, Malaysia and Indonesia. Regarding non-life insurance, the growth in emerging markets has been in the range of 5-8.5% since 2012, while growth in developed markets has remained around 2%.

These trends are leading to a relative decline in the share of business in developed insurance markets. Munich Re has estimated that primary premium in North America will fall to 27.8% of the world's total by 2026, Western Europe to 24.5% and mature Asian markets to 17.5%. Meanwhile, emerging Asia's share will jump from 13.3% in 2016 to 21.4%, the MENA region's allocation will rise from 1.3% to 1.8%, and the share held by sub-Saharan Africa will remain at 1.1%. Swiss Re, another international reinsurer, forecasts the global rate of growth in reinsurance at 1% over the three ***years*** to 2019; by comparison, reinsurance in emerging markets is presently growing at about 10% per ***year***.

**Reinsurance Trends**

The global reinsurance market is on firm footing, with capital reaching $605bn at the end of the second quarter of 2017. However, according to its "Global Insurance Trends Analysis" for the first half of 2017, EY reported that 2016 was the biggest ***year*** for catastrophe (CAT) claims since 2012, with $54bn in losses reported on $210bn of damage, a coverage rate of 26%. In the first six months of 2017 the proportion of insured losses rose to 42% of the total.

Reinsurance returns are already at or below the cost of capital: Fitch ratings agency expected return on equity to fall from 8.5% in 2016 to 2.1% in 2017, but forecast it would increase to approximately 7.1% in 2018. The cost of capital for companies, meanwhile, is thought to have ranged between 6% and 7% in 2017.

**Micro-insurance**

In August 2017 a global partnership was formally forged between the global insurance industry and the UN, which will help boost the micro-insurance segment. Swiss Re has forecast that this market could cover as many as 4bn people. As the market increases in size, added capacity will be needed beyond what domestic markets can provide, making international reinsurers vital to expansion, though to date their participation has been limited.

While major reinsurance companies are supportive of micro-insurance - especially in terms of grants, research and promotion - the exact level of their engagement in the risk transference part of the equation remains unclear. This is partly a structural issue: the insured amount is usually so low with micro-insurance that reinsurance rarely kicks in on a per policy basis.

**Index Linking**

For the most part, reinsurance companies are only involved with the micro-segment indirectly via the index-linked market, and a number of ***programmes*** are under way to increase reinsurance participation in this market. For instance, Mongolia's ***Agriculture*** Reinsurance (AgRe), which provides index-based livestock cover, is supported by major international players, including SCOR, Swiss Re and Qatar Re. AgRe was originally formed with the assistance of the World Bank in 2005, becoming a fully fledged corporate entity in 2014. Despite early losses, it has been in positive territory every ***year*** since 2010, according to company data. In 2015 the International Financial Corporation, part of the World Bank Group, opened the Global Index Insurance Facility (GIIF), a donor-funded ***programme*** designed to support index-linked insurance in developing countries, with Swiss Re as its technical partner. In that same ***year***, France's AXA announced it would provide reinsurance capacity for weather-linked products introduced by the World Bank under the GIIF.

**Catastrophe Risk**

One of the main avenues to emerging markets for reinsurers is through CAT coverage. Developing countries are often compelled to turn to overseas firms to cover major disasters, as they have limited domestic capacity due to the size of their economies and local insurance markets. It is also a product line where the modes of participation for international reinsurers are straightforward, with ample opportunity for innovation and product development. The triggers are transparent, the events are well defined and the duration of the cover tends to be short.

Although CAT coverage is needed and utilised everywhere, and most claims are paid in developed markets, the insurance is particularly suited to emerging economies. Because of their geographies, populations and lack of infrastructure, these countries tend to be most affected by weather-related and seismic events. Thailand, the Philippines, Mexico, Indonesia, Papua New Guinea and a number of sub-Saharan African nations, among many others are all highly vulnerable to natural disasters and are good candidates for coverage.

A number of these ***programmes*** are already in place. For example, the Caribbean Catastrophe Risk Insurance Facility (CCRIF), which is currently owned and operated by 16 governments from the region, was created in 2007 with international assistance. It is the first and only regional fund to date that pays out claims based on statistical parameters rather than actual losses incurred. Reinsurance is a key component of the coverage, as it allows for the purchase of CAT insurance at lower rates than would usually be available commercially. Payouts from the CCRIF totalled $100m as of late 2017.

Another such entity is the Pacific Catastrophe Risk Insurance Company (PCRIC), which covers the Cook Islands, the Republic of the Marshall Islands, Samoa, Tonga and Vanuatu. The entity was designed to pool risk and tap international reinsurance markets to cover key regional vulnerabilities, such as tsunamis, earthquakes and cyclones. Established in June 2016 on the heels of a pilot ***programme*** that ran from 2013 to 2015, the PCRIC mobilised $45m worth of coverage for the 2017/18 cyclone season, up from $38m a ***year*** earlier.

In 2014 the African Union launched the African Risk Capacity (ARC), a CAT fund that covers member states against weather-related damages. It aims to have $1.5bn of coverage available by 2020, although it will likely require significant support to meet this goal. In this regard, the ARC has reported that the response from the reinsurance market has been positive so far.

**Innovation**

Adding to traditional reinsurance arrangements, CAT bonds and CAT swaps are becoming part of the landscape. These developments allow for the quick identification of risk and deployment of capital, in turn resulting in highly competitive terms. As reinsurance further orients itself towards capital markets, some developing markets may be better served.

For instance, Mexico's Fund for Natural Disasters (Fondo de Desastres Naturales, FONDEN) uses an index based on the Richter scale to provide reinsurance to cover costs after the country's earthquake insurance fund is tapped out. In 2017 FONDEN sold a $360m CAT bond, surpassing the $290m that was initially planned.

In the Philippines, a parametric disaster line to cover the 25 most disaster-prone provinces was initiated in 2017. The fund, valued at P1bn ($19.8m), received support from the World Bank, with the risk fully ceded to international reinsurers. In a related development, the World Bank arranged a $206m CAT swap line for the country, which will cover typhoon and earthquake risk.

At a global level, the World Bank has initiated a pandemic CAT ***programme***, issuing a $320m bond and completing $105m worth of swap transactions in 2017. The pandemic emergency financing facility will provide cover for the flu; coronaviruses, such as SARS; filoviruses, including Ebola and Marburg; Crimean-Congo fever; Rift Valley fever; Lassa fever; and others. World Health Organisation data on the number of people affected by an outbreak is used to trigger ***payments***.

The size of the CAT bond market has more than doubled over the past decade. It reached record volumes in 2017, estimated at $12bn, with more than $30bn outstanding. There are signs that alternative financing is outpacing traditional reinsurance, which could have a major impact on developing economies, given the speed and flexibility of market-based solutions.

**Barriers to Risk**

Historically, issuers of micro- and index lines have faced challenges in generating sufficient demand for these products. The Manggarai Water Gate micro-insurance ***programme***, for example, was established in 2009 with the help of Munich Re. It paid out a fixed amount when the level at the Manggarai Gate - built to help control floods in Jakarta - breached a predetermined level. However, the demand was not there: only 50 policies were sold, and as a result, the ***programme*** was discontinued in 2010.

In terms of index-linked initiatives, it is not clear whether or not these securities can be fully self-sustaining, as most such ***programmes*** rely on significant multilateral and donor support. Owing to their size, the markets in places like China and India are able to fund the risk internally, But in smaller markets, the mismatch between the potential losses and the critical mass on the ground is substantial. Island nations in particular lack the domestic markets to fund the amount of reinsurance required to cover inevitable natural disasters.

Poor performance also threatens the sector, and one major loss can shift sentiment, which can freeze markets and make risk difficult to ***transfer***. For instance, an 8.1-magnitude earthquake in Mexico in August 2017 could have wiped out FONDEN's financing completely. Although the payout ended up being a manageable $150m, it highlighted potential problems.

**Structural Risks**

There are also common structural risks in emerging markets, such as limited data and underwriting experience. However, advances in technology should see these areas improve over time, and some emerging markets already have a substantial amount of detailed information available. For example, Papua New Guinea has 50 ***years*** of cyclone data, while Mongolia's livestock census records date back to 1918.

Distribution is another widespread issue in emerging markets, as extending coverage to both individuals and corporations can often be challenging. More involvement by reinsurers at the local level is one potential solution; however, this sort of activity is outside of their normal fields of operations and responsibility.

Globally, the reinsurance market is becoming increasingly concentrated - the top-five players currently control around 90% of activity - but in some cases local markets are becoming too competitive, which can lead to mismatches in terms of pricing. In Papua New Guinea, foreign exchange restrictions have led to reinsurance ***payment*** challenges, while in other markets, the fall in local currencies has led to a decline in the market size in dollar terms, despite strong business.

**Looking Ahead**

The reinsurance sector is changing in both developing and emerging markets all over the world. Although natural disasters have led to a tightening of the market, new technologies and innovation are assisting insurers and reinsurers in reaching historically underpenetrated areas. Alternative solutions are likely to create uncertainties as well as opportunities, but all indications suggest that reinsurance in emerging markets is set to grow in both absolute and relative terms.

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**End of Document**



[***Register of Commission documents: Commission staff working document Analysis of the draft budgetary plan of the Slovakia Accompanying the document Commission opinion on the Draft Budgetary Plan of Slovakia Document date: 2018-11-21 COM\_SWD(2018)0527 SWD/SEC documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SS3-RTG1-JDG9-Y3C8-00000-00&context=1516831)

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**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 21.11.2018 SWD(2018) 527 final COMMISSION STAFF WORKING DOCUMENT Analysis of the draft budgetary plan of the Slovakia Accompanying the document COMMISSION OPINION on the Draft Budgetary Plan of Slovakia {C(2018) 8027 final} 1 COMMISSION STAFF WORKING DOCUMENT Analysis of the draft budgetary plan of the Slovakia Accompanying the document COMMISSION OPINION on the Draft Budgetary Plan of Slovakia 1. INTRODUCTION Slovakia submitted its Draft Budgetary Plan for 2019 on 10 October in compliance with Regulation (EU) No 473/2013. Slovakia is subject to the preventive arm of the Pact and should ensure sufficient progress towards its medium term budgetary objective (MTO). Section 2 of this document presents the macroeconomic outlook underlying the Draft Budgetary Plan and provides an assessment based on the Commission 2018 autumn forecast. The following section presents the recent and planned fiscal developments, according to the Draft Budgetary Plan, including an analysis of risks to their achievement based on the Commission 2018 autumn forecast. In particular, it also includes an assessment of the measures underpinning the Draft Budgetary Plan. Section 4 assesses the recent and planned fiscal developments in 2018-2019 (also taking into account the risks to their achievement) against the obligations stemming from the Stability and Growth Pact. Section 5 provides an analysis of the structure of the public finances and of the implementation of fiscal-structural reforms in response to the latest country-specific recommendations in the context of the European Semester adopted by the Council in July 2018, including those to reduce the tax wedge.

Section 6 summarises the main conclusions of the present document. 2. MACROECONOMIC DEVELOPMENTS UNDERLYING THE DRAFT BUDGETARY PLAN In 2017 Slovakia’s economy expanded by 3.2% in 2017, principally driven by domestic demand. According to the Draft Budgetary Plan (Table 1), real GDP growth is forecast to accelerate to 4.1% in 2018 and 4.5% in 2019. Further improvements in the labour market and low credit costs imply that private consumption will remain a key contributor to economic expansion, as was already the case in 2017. A surge in investment activity in 2018 is expected to make its contribution to GDP growth the largest of all expenditure categories in 2018. This investment spending is driven mainly by private investment in the automotive industry while public investment is expected to remain subdued. The positive effect of new investment on Slovakia's export capacities and trade performance is expected to lift economic growth in 2019 slightly above the 2018 rate. The unemployment rate is expected to gradually fall to a historic low of 6.4% in 2019, with employment gains likely to remain strong and broad-based across sectors. Consumer price inflation is expected to pick up in 2018 and 2019 to well above the 2017 figure, reflecting rising wage pressures and erratic developments in prices of food and fuels. The pace of economic growth expected in the Draft Budgetary Plan is broadly in line with the latest Stability ***Programme***. The composition of growth in 2018 is, however, different, owing to surprisingly swift growth in fixed investment in the first half of the ***year*** compared to the 2 Stability ***Programme***. Similarly, projected growth of government consumption is also slightly higher in the Draft Budgetary Plan. On the other hand, the data for the first half of 2018 suggests that private consumption is likely to lag behind the expectations in the Stability ***Programme*** despite stronger outcomes in the labour market. The growth contribution from net trade has also been revised downward in the Draft Budgetary Plan reflecting slowing foreign demand. The assumed composition of growth in 2019 is very similar in both documents. Table 1: Comparison of macroeconomic developments and forecasts The macroeconomic scenario underlying the Draft Budgetary Plan is broadly in line with the Commission 2018 autumn forecast, with the latter projecting a slower pace of economic expansion in both 2018 and 2019, by 0.1 and 0.4 percentage points, respectively. The differences are somewhat more pronounced with regard to the composition of growth. In contrast to the Draft Budgetary Plan scenario, the Commission forecast expects a weaker contribution of net trade to overall growth in both ***years***, reflecting lower expectations of 2017COMSPDBPCOMSPDBPCOMReal GDP (% change)3.24.24.14.04.54.54.1Private consumption (% change)3.53.52.92.93.23.23.2Gross fixed capital formation (% change)3.45.29.612.43.33.12.2Exports of goods and services (% change)5.97.96.85.48.57.98.0Imports of goods and services (% change)5.37.16.65.77.26.86.8Contributions to real GDP growth:- Final domestic demand3.03.13.44.72.62.82.5- Change in inventories-0.50.0-0.5-0.60.00.20.2- Net exports0.71.20.6-0.11.91.71.4Output gap10.20.20.90.70.71.81.3Employment (% change)2.21.62.01.71.01.11.0Unemployment rate (%)8.17.36.96.96.76.46.3Labour productivity (% change)1.02.52.12.33.43.33.1HICP inflation (%)1.42.02.62.62.02.52.6GDP deflator (% change)1.21.82.32.62.02.52.7Comp of employees (per head, % change)5.25.36.35.05.36.26.4Net lending/borrowing vis-à-vis the rest of the world (% of GDP)-0.80.0-0.60.20.90.11.6Stability ***Programme*** 2018 (SP); Draft Budgetary Plan for 2019 (DBP); Commission 2018 autumn forecast (COM); Commission calculationsSource:1In percent of potential GDP, with potential GDP growth recalculated by Commission services on the basis of the ***programme*** scenario using the commonly agreed methodology.Note:20182019 3 global trade growth. A comparatively weaker export performance in the Commission forecast is broadly offset by a higher contribution from investment in 2018. On the other hand, the Commission forecast expects a slightly smaller growth contribution from investment in 2019 which, together with a lower contribution of net trade, accounts for the 0.4 percentage point difference between the two sets of forecasts. Overall, the macroeconomic assumptions underpinning the Draft Budgetary Plan appear to be plausible in 2018 and somewhat favourable in 2019. Box 1: The macro economic forecast underpinning the budget in Slovakia Slovakia's Draft Budgetary Plan is based on the macroeconomic forecast published by the Institute for Financial Policy (IFP) of the Ministry of Finance in September and endorsed by the Macroeconomic Forecasting Committee (MFC). The latter foresees that in its deliberations the MFC is independent and free from the government's influence. According to the minutes published on the website of the IFP, the macroeconomic forecast underpinning the Draft Budgetary Plan was deemed 'realistic' by four voting members of the MFC and 'optimistic' by two voting members at the meeting held on 12 September 2018. 3. RECENT AND PLANNED FISCAL DEVELOPMENTS 3.1 Deficit developments The Draft Budgetary Plan targets a general government deficit of 0.6% of GDP in 2018, some 0.2 percentage points lower compared to the Stability ***Programme***, when the headline deficit was projected at 0.8% of GDP. The lower deficit is due to better than projected tax collection, mainly in relation to value added tax, corporate income tax and better labour market developments affecting social contributions and personal income tax. By contrast, non-tax revenues are lagging in comparison with 2017 budget outcomes due to lower revenues from sales and property income. On the expenditure side, spending increases on social benefits, intermediate consumption and, notably, public investment by municipalities, public transport enterprises and other public entities are anticipated. Lower national co-financing caused by a drop in other current ***transfers*** from the EU, in particular from direct ***payments*** to farmers, also helped to lower the deficit compared to the Stability ***Programme***. The Commission 2018 autumn forecast also projects a 2018 deficit of 0.6% of GDP. In contrast to the Draft Budgetary Plan, the Commission 2018 autumn forecast does not factor in higher expenditure from capital ***transfers*** for debt relief of hospitals, and also nets out countervailing increases in revenues from health insurance premia. In the Commission 2018 autumn forecast, higher expenditure on compensation of employees and gross fixed capital formation is expected, but the latter item is partly compensated by lower levels of other current ***transfers***. The Draft Budgetary plan also lowers the headline deficit target for 2019 by 0.2 percentage points compared to the Stability ***Programme***, resulting in a general government deficit target of 0.1% of GDP. The Draft Budgetary Plan presents this lower deficit target as reflecting improved projections for value added tax, income taxes and social security contributions, which is mainly driven by the improved macroeconomic scenario. However, the Draft Budgetary Plan shows that more buoyant revenues from taxes on production and income, as well as from social contributions, will be used to finance the increasing wage bill, government 4 intermediate consumption, social benefits and subsidies. The Draft Budgetary plan expects lower gross fixed capital formation than the Stability ***Programme***. Overall, the general government deficit reduction in 2019 appears to be mainly driven by revenue growth outstripping the rate of expenditure increases. At the same time, both the revenue and expenditure ratios are growing more slowly than nominal GDP, with the ratio of revenue to GDP declining by 0.8 percentage points to 38.4% of GDP in 2019. The ratio of expenditure to GDP is projected to fall by 1.3 percentage points to 38.5% in 2019, largely on account of curbing growth of gross fixed capital formation. The benign development of the expenditure-to-GDP ratio is based mainly on the assumption of a relatively slow drawdown of EU funds and commensurately lower level of national co-financing. The Commission 2018 autumn forecast projects a deficit of 0.3% of GDP in 2019, slightly higher than in the Draft Budgetary Plan. The Commission projects lower revenues from taxes on production and higher revenues from social contributions and income taxes. Furthermore, it expects a higher drawdown on EU funds. On the expenditure side, the Commission forecast assumes faster growth in the wage bill and social benefits, as well as higher gross fixed capital formation, due to an assumed gradual acceleration of EU funds drawdown associated with higher national financing. Unlike the Draft Budgetary Plan, the Commission forecast does not assume the (deficit-neutral) provision of reserves on the expenditure side.1 Euro area sovereign bond yields remain at historically low levels, with 10-***year*** rates in Slovakia currently standing at 1.0%.2 As a consequence, total interest ***payments*** by the general government have continued to decrease as a share of GDP. Based on the information included in the Draft Budgetary Plan, interest expenditure in Slovakia is expected to fall from 1.4% of GDP in 2017 to 1.3% in 2018 and is projected to decrease further in 2019 to 1.2% of GDP, well below the 1.8% recorded in 2012 at the peak of the euro area sovereign debt crisis. This interest expenditure outlook from Slovakia’s Plan is broadly confirmed by the Commission forecast. 1 This treatment is in line with previous fiscal assessments of Slovakia's public finances by the Commission. For a more detailed explanation, see the Staff Working Document accompanying the assessment of Slovakia's 2018 Stability ***Programme***, [*https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/stability-and-growth-pact/stability-and-convergence-****programmes****/assessment-****programmes****-2018\_en#slovakia*](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/stability-and-growth-pact/stability-and-convergence-programmes/assessment-programmes-2018_en#slovakia). 2 10-***year*** bond yields as of 24 October 2018. Source: Bloomberg. 5 Table 2: Composition of the budgetary adjustment According to the national legislation related to the Fiscal Compact, Slovakia is required to run a balanced budget, defined as a structural deficit of 0.5% of GDP – this target also constitutes Slovakia's MTO. Based on the information in the Draft Budgetary Plan, the structural balance3 as recalculated by the Commission using the commonly agreed methodology on the basis of the macroeconomic scenario for Slovakia is projected to marginally decline from 3 Cyclically adjusted balance net of one-off and temporary measures, recalculated by the Commission using the commonly agreed methodology. 2017Change: 2017-2019COMSPDBPCOMSPDBPCOMDBPRevenue39.438.239.239.337.738.438.9-1.0of which:- Taxes on production and imports10.910.811.110.810.811.010.70.1- Current taxes on income, wealth, etc.7.47.17.37.37.07.47.50.0- Capital taxes0.00.00.00.00.00.00.00.0- Social contributions14.814.715.015.014.314.514.9-0.3- Other (residual)6.45.65.86.35.65.55.9-0.9Expenditure40.239.039.839.938.038.539.3-1.7of which:- Primary expenditure38.837.838.538.636.837.338.1-1.5of which:Compensation of employees9.29.19.19.38.89.29.40.0Intermediate consumption5.75.45.55.65.35.65.5-0.1Social payments18.518.118.217.917.317.417.5-1.1Subsidies0.40.40.40.40.40.50.40.1Gross fixed capital formation3.22.53.23.62.72.43.6-0.8Other (residual)1.82.32.11.82.32.21.80.4- Interest expenditure1.41.31.31.31.21.21.2-0.2General government balance (GGB)-0.8-0.8-0.6-0.6-0.3-0.1-0.30.7Primary balance0.60.50.60.70.91.10.80.5One-off and other temporary measures0.00.00.00.00.00.00.00.0GGB excl. one-offs-0.8-0.8-0.6-0.6-0.3-0.1-0.30.7Output gap10.20.20.90.70.71.81.31.7Cyclically-adjusted balance1-0.9-0.9-0.9-0.8-0.6-0.8-0.80.0Structural balance (SB)2-0.9-0.9-0.9-0.8-0.6-0.8-0.80.0Structural primary balance20.50.40.40.40.60.40.3-0.21Output gap (in % of potential GDP) and cyclically-adjusted balance according to the DBP/***programme*** as recalculated by Commission on the basis of the DBP/***programme*** scenario using the commonly agreed methodology.2Structural (primary) balance = cyclically-adjusted (primary) balance excluding one-off and other temporary measures.Notes:(% of GDP)20182019Source:Stability ***Programme*** 2018 (SP); Draft Budgetary Plan for 2019 (DBP); Commission 2018 autumn forecast (COM); Commission calculations 6 0.9% of GDP in 2018 to 0.8% of GDP in 2019. This implies that Slovakia would not reach the MTO in that ***year***, in contrast to the projections presented in the Stability ***Programme***. The Commission 2018 autumn forecast expects the same structural balance as the Draft Budgetary Plan for 2019, and expects it to remain stable from the level of 0.8% of GDP in 2018. On 20 November 2018 the Slovak authorities publicly announced a revision to the budgetary target for 2019. This revision consisted of a lowering of government expenditure levels in 2019 through structural spending measures equating to 0.1% of GDP. According to the Slovak authorities, these would ensure the achievement of a balanced budget in nominal terms in 2019 and would be likely to ensure a meeting of the MTO in that ***year***. These changes were approved by Slovakia's budgetary and financial committee on 20 November 2018. 3.2 Debt developments The Draft Budgetary Plan projects the general government debt to decline to 48.7% of GDP in 2018, 0.6 percentage points lower compared to the Stability ***Programme*** (Table 3). The difference is driven by the projected impact of a lower-than-expected primary balance, stronger inflation and a weaker positive stock-flow adjustment resulting from a higher-than-projected use of state treasury liquidity. In 2019, the Draft Budgetary Plan projects the debt-to-GDP ratio to decline to 47.3%, which is less than in the Stability ***Programme*** (by 0.7 percentage points). This is mainly due to the higher-than-expected net accumulation of financial assets and cash/accrual differences. The Commission 2018 autumn forecast projects very similar developments in the debt ratio in 2018 and projects it to decline somewhat more rapidly in 2019, to 46.4% of GDP. This divergence is mainly due to a smaller assumed stock-flow adjustment compared to the Draft Budgetary Plan. Based on the Draft Budgetary plan, the gross debt ratio, net of the state liquid assets, is expected to follow the same declining path as gross debt, with the ratio of liquid assets to GDP projected to remain broadly stable in 2018 and decline faster than gross debt in 2019. Information in the Draft Budgetary Plan suggests that Slovakia would be below the national debt brake threshold for the debt-to-GDP ratio in 2018 and 2019.4 The Draft Budgetary Plan also presents contingent liabilities identified in Slovakia in 2016 and reported to the Eurostat. The Slovak general government provided guarantees in the amount of 0.03% of GDP. Slovakia is among the Member States with the highest value of public-private partnership (PPP) projects in the EU (3.1% of GDP). Two projects are identified in the Plan, both of which are in the field of transport infrastructure and are recorded outside the general government's balance sheet. Liabilities of companies controlled by the state were reported to the amount of 1.3% of GDP at the end of 2016. The share of non-performing loans is around 0.1% of GDP. 4 The Slovak debt brake defines five thresholds. Once the public debt-to-GDP ratio exceeds these ceilings specific sanction and/or correction measures apply. As of 2018, the debt brake thresholds are set to decline by 1 percentage point annually, until the lowest and highest ceiling reach 40% and 50% of GDP, respectively, in 2028. When the debt-to-GDP ratio exceeds 50% (or 49% in 2018) the Ministry of Finance has to send a letter to the parliament explaining the reasons behind the high debt and proposing measures to ensure its reduction. 7 Table 3: Debt developments 3.3 Measures underpinning the draft budgetary plan The Draft Budgetary Plan presents several measures for 2019 on both the revenue and expenditure side of the budget. For 2019, revenue measures amount to 0.66% of GDP.5 Revenues are expected to increase thanks to the introduction of a levy on retail business chains and measures linked to the online electronic evidence of sales ('e-Kasa') and nano-markers' additives in car fuels, as well as due to the abolition of the health insurance allowance for employers. The Commission 2018 autumn forecast incorporates all revenue measures mentioned in the Draft Budgetary Plan, but factors in a lower level of additional revenues related to the nano-markers and e-Kasa introduction. Furthermore, the impact of currently discussed measures 5 The obligatory Table 5a provided in the Annex to the Draft Budgetary Plan does not seem to reflect all the discretionary measures adopted for 2018, but only those that were approved in 2017. SPDBPCOMSPDBPCOMGross debt ratio150.949.348.748.846.547.346.4Change in the ratio-0.8-1.7-2.2-2.2-2.7-1.4-2.4Contributions2:1. Primary balance-0.6-0.5-0.6-0.7-0.9-1.1-0.82 “Snow-ball” effect-0.8-1.6-1.8-1.9-1.8-2.0-1.9Of which:Interest expenditure1.41.31.31.31.21.21.2Growth effect-1.6-2.0-2.0-1.9-2.1-2.0-1.9Inflation effect-0.6-0.9-1.1-1.2-0.9-1.1-1.23 Stock-flow adjustment0.60.40.20.40.01.70.4Of which:Cash/accruals difference0.4-0.10.51.2Net accumulation of financial 0.30.2-0.50.6of which privatisation proceeds0.00.00.00.0Valuation effect & residual-0.10.00.0-0.1Stability ***Programme*** 2018 (SP); Draft Budgetary Plan for 2019 (DBP); Commission 2018 autumn forecast (COM); Commission calculationsNotes:1 End of period.Source:20172 The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting, accumulation of financial assets and valuation and other residual (% of GDP)20182019 8 proposed by the current coalition cabinet members, such as free lunches for pupils, the exception of accommodation services from value added tax, and holiday vouchers, were taken into account as discretionary measures in the Commission forecast. These measures are not reported in the Draft Budgetary Plan as discretionary measures but their impact on the deficit is included by creating commensurate reserve on the expenditure side. The Commission forecast accounts for these negative impacts directly on the revenue side as the measures were credibly announced and sufficiently specified. 9 Table 4: Main discretionary measures reported in the DBP A. Discretionary measures taken by General Government - revenue side B. Discretionary measures taken by general Government- expenditure side On the expenditure side, the Draft Budgetary Plan includes mainly expansionary measures for 2019 that amount to 0.91% of GDP compared to the no-policy change scenario. The main measures are higher outlays for civil servants' pay (10% increase in statutory pay) and an increase in remunerations for teaching staff and university teachers as well as an increase in 2018 2019 2020 Taxes on production and imports 0.0 0.2 0.3 Current taxes on income, wealth, etc. -0.1 0.1 0.1 Capital taxes 0.0 0.0 0.0 Social contributions 0.0 0.1 0.1 Property Income 0.0 0.0 0.0 Other 0.0 0.3 0.2 Total -0.1 0.7 0.6 Components The budgetary impact in the table is the aggregated impact of measures as reported in the DBP, i.e by the national authorities. A positive sign implies that revenue increases as a consequence of this measure. Budgetary impact (% GDP) (as reported by the authorities) Note: Source: Draft Budgetary Plan for 2019 2018 2019 2020 Compensation of employees 0.0 0.4 0.7 Intermediate consumption 0.0 0.2 0.4 Social ***payments*** 0.0 0.1 0.1 Interest Expenditure 0.0 0.0 0.0 Subsidies 0.0 0.0 0.0 Gross fixed capital formation 0.0 0.0 -0.3 Capital ***transfers*** 0.0 0.1 0.0 Other 0.0 0.2 0.1 Total 0.0 0.9 1.1 Components Note: Source: Draft Budgetary Plan for 2019 Budgetary impact (% GDP) (as reported by the authorities) The budgetary impact in the table is the aggregated impact of measures as reported in the DBP, i.e by the national authorities. A positive sign implies that expenditure increases as a consequence of this measure. The budgetary impact of expenditure discretionary for 2018 measures was not presented in the DBP. 10 intermediate consumption as a reserve for covering the impact of new legislation relating to the revenue side. Additionally, social ***transfers*** in kind and other current ***transfers*** to support the reduction of final electricity prices for enterprises are higher than in the no-policy change scenario. Finally, public investment levels are projected below the no-policy change scenario in the Draft Budgetary Plan, which is explained by the fact that advances for the future supplies of military technology will be recorded at the time of delivery and not at the time of cash spending, according to the ESA 2010 methodology. The Commission forecast takes into account all expenditure measures presented in the Draft Budgetary Plan. However, the Commission forecast neither includes a reserve for lower tax and non-tax revenues nor a reserve for the negative impact of currently discussed measures. The Commission forecast notably includes the impacts of the decreased value added tax rate for accommodation services, of the tax and contribution exemption on travel vouchers, the cost of free school meal for pupils, double tax bonuses for pensioners as well as additional outlays linked to increases of spa care expenditure etc. The expenditure-to-GDP ratio thus decreases less in the Commission forecast than in the Draft Budgetary Plan. Neither the Draft Budgetary Plan nor the Commission forecast assume any one-off measures in 2018 and 2019. According to information included in the Draft Budgetary Plan, the amendment of the Act on Budgetary rules was approved by the Cabinet. According to this amendment, each subsequent government will be obliged to carry out and publish spending reviews covering an amount equivalent to at least half of the expenditure volume in the general government budget over a four-***year*** period. Reviewing the implementation of the recommendations from these spending reviews will be a mandatory part of the budgetary documentation. 4. COMPLIANCE WITH THE PROVISIONS OF THE STABILITY AND GROWTH PACT Slovakia is a subject to the preventive arm of the Pact and should ensure sufficient progress towards its MTO. Box 2 reports the latest country specific recommendations in the area of public finances. Box 2. Council Recommendations6 addressed to Slovakia On 13 July, the Council addressed recommendations to Slovakia in the context of the European Semester. In particular, in the area of public finances the Council recommended that Slovakia ensure that the nominal growth rate of net primary government expenditure does not exceed 4.1% in 2019, corresponding to an annual structural adjustment of 0.5% of GDP. In 2019, for Slovakia to comply with the requirement of the preventive arm, and in view of the Commission autumn 2018 forecast projecting a closer position to the MTO than in spring 2018, the nominal growth rate of government expenditure, net of discretionary measures and one-offs, should not exceed 4.6%, corresponding to an annual structural adjustment of the structural balance by 0.3% of GDP. 6 OJ C 320, 10.9.2018, p. 107–111. 11 4.1 Adjustment towards the MTO The Commission Communication on the 2017 European Semester of May 20177 stated that the Commission stands ready to use its margin of appreciation in cases where the impact of a large fiscal adjustment on growth and employment is particularly significant. The Country-Specific Recommendation adopted by the Council on 11 July 2017 mentioned that the assessment of the 2018 Draft Budgetary Plan and subsequent assessment of 2018 budget outcomes will need to take due account of the goal of achieving a fiscal stance that contributes to both strengthening the ongoing recovery and ensuring the sustainability of public finances. Following the Commission's assessment of the strength of the recovery in Slovakia while giving due consideration to its sustainability challenges, carried out in the context of its opinion on Slovakia's 2018 Draft Budgetary Plan, a fiscal structural effort of at least 0.5% of GDP is required for 2018, without any additional margin of deviation over one ***year***. This corresponds to a nominal rate of growth of net primary government expenditure not exceeding 2.9%. According to the recalculated information provided in the Draft Budgetary Plan, the nominal growth rate of net primary government expenditure in 2018 will exceed the applicable expenditure benchmark rate of 2.9%, leading to a one-***year*** deviation of 1.1% of GDP. The two-***year*** average deviation on the expenditure benchmark also signals the risk of a significant deviation. The structural balance pillar confirms the risk of significant deviation in light of a one-***year*** deviation of -0.6% of GDP, while it points to some deviation over two ***years***. On the basis of the information provided in the Draft Budgetary plan, an overall assessment, which favours the expenditure benchmark as capturing more accurately the fiscal effort of Slovakia, points to a risk of significant deviation in 2018. The Commission 2018 autumn forecast confirms this conclusion for 2018, as the expenditure benchmark pillar also points to a risk of significant deviation when looking at both one-***year*** and two-***year*** deviations. The structural balance pillar indicates some deviation in a one-***year*** assessment and compliance when taking 2017 and 2018 together. This requires an overall assessment. As the expenditure benchmark is not affected by the savings from the projected decline in interest expenditure, smooths out gross fixed capital formation volatility, and relies on a lower, more appropriate medium-term potential growth rate, it appears to capture more accurately the fiscal effort of Slovakia at the current juncture. In summary, the overall assessment thus points to a risk of significant deviation in 2018 when judging by the Commission forecast. In 2019, for Slovakia to comply with the requirements of the preventive arm, and in view of the Commission autumn 2018 forecast projecting a closer position to the MTO than in spring 2018, the nominal growth rate of government expenditure, net of discretionary revenue measures and one-offs, should not exceed 4.6%, corresponding to an annual structural adjustment of the structural balance by 0.3% of GDP. Although the structural balance is projected to slowly approach the MTO, neither the (recalculated) figures from the Draft Budgetary Plan nor the Commission 2018 autumn forecast expect Slovakia to reach its MTO in 2019. 7   [*https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-specific-recommendations-commission-recommendations-communication.pdf*](https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-specific-recommendations-commission-recommendations-communication.pdf) 12 Table 7: Compliance with the requirements of the preventive arm Based on the information in the Draft Budgetary Plan, the expenditure benchmark suggests compliance with the preventive arm of the Pact in 2019 when looking at the single-***year*** deviation alone. However, in view of the large deviation projected for 2018, the expenditure benchmark pillar suggests a risk of significant deviation when taken over 2018-2019 together (a gap of 0.5% of GDP). The structural balance pillar, meanwhile, suggests the risk of some (% of GDP)2017Medium-term objective (MTO)-0.5Structural balance2 (COM)-0.9Structural balance based on freezing (COM)-1.4Position vis-a -vis the MTO3Not at MTO2017COMDBPCOMDBPCOMRequired adjustment40.5Required adjustment corrected50.5Change in structural balance60.9-0.10.00.10.0One-***year*** deviation from the required adjustment70.4-0.6-0.5-0.2-0.3Two-***year*** average deviation from the required adjustment70.5-0.10.0-0.4-0.4Applicable reference rate81.3One-***year*** deviation adjusted for one-offs9-0.1-1.1-0.90.1-0.1Two-***year*** average deviation adjusted for one-offs90.1-0.6-0.5-0.5-0.5Source:-0.5-0.5(% of GDP)20182019Structural balance pillarDraft Budgetary Plan for 2019 (DBP); Commission 2018 autumn forecast (COM); Commission calculations.20182019Initial position1-0.8-0.8-0.8-Not at MTONot at MTO5 Required adjustment corrected for the clauses, the possible margin to the MTO and the allowed deviation in case of overachievers.6 Change in the structural balance compared to ***year*** t-1. Ex post assessment (for 20XX-1) was carried out on the basis of Commission 20XX spring forecast. 7 The difference of the change in the structural balance and the corrected required adjustment. 0.50.3Expenditure benchmark pillar2.94.69 Deviation of the growth rate of public expenditure net of discretionary revenue measures, revenue increases mandated by law and one-offs from the applicable reference rate in terms of the effect on the structural balance. The expenditure aggregate used for the expenditure benchmark is obtained following the commonly agreed methodology. A negative sign implies that expenditure growth exceeds the applicable reference rate. 0.50.3Notes1 The most favourable level of the structural balance, measured as a percentage of GDP reached at the end of ***year*** t-1, between spring forecast (t-1) and the latest forecast, determines whether there is a need to adjust towards the MTO or not in ***year*** t. A margin of 0.25 percentage points (p.p ) is allowed in order to be evaluated as having reached the MTO.8 Reference medium-term rate of potential GDP growth. The (standard) reference rate applies from ***year*** t+1, if the country has reached its MTO in ***year*** t. A corrected rate applies as long as the country is adjusting towards its MTO, including in ***year*** t. 2 Structural balance = cyclically-adjusted government balance excluding one-off measures.3 Based on the relevant structural balance at ***year*** t-1.4 Based on the position vis-à-vis the MTO, the cyclical position and the debt level (See European Commission:Vade mecum on the Stability and Growth Pact, page 38.). 13 deviation in 2019 alone but a significant deviation when looking at 2018-2019 together. An overall assessment, which favours the expenditure benchmark as capturing more accurately the fiscal effort of Slovakia, points to a risk of significant deviation with respect to the required adjustment towards the MTO. This conclusion principally results from fiscal slippages expected in 2018 not being adequately compensated for in 2019. Overall, there appears to be a risk of a significant deviation over 2018 and 2019 together according to information provided in the Draft Budgetary Plan. The Commission 2018 autumn forecast confirms these compliance findings relating to 2019. Both the expenditure benchmark and the structural balance indicator point to a risk of some deviation in 2019 alone and to a risk of a significant deviation when taken over 2018-2019 together. Analogous to the Draft Budgetary Plan, an overall assessment based on the Commission forecast therefore indicates the risk of a significant deviation over 2018 and 2019 taken together. In light of the Commission's assessment of additional information about a planned reduction in government expenditure equivalent to 0.1% of GDP in 2019, which was publicly announced by the Slovak authorities and agreed by Slovakia's budgetary and financial committee on 20 November 2018, the Commission considers that the (recalculated) structural balance is expected to be close to the medium-term budgetary objective in 2019. On this basis, the overall assessment points to a risk of some deviation from the medium-term budgetary objective in 2019. However, if the structural balance is no longer projected to be close to the medium-term budgetary objective in future assessments for 2019, the overall assessment of compliance will need to take into account a possible deviation from that requirement. The overall assessments based on both the Draft Budgetary Pan and the Commission's 2018 autumn forecast, point to a risk of some deviation from the adjustment path towards the MTO in 2019. 5. COMPOSITION OF PUBLIC FINANCES AND IMPLEMENTATION OF FISCAL STRUCTURAL REFORMS In the Draft Budgetary Plan, most of the fiscal adjustment in 2018 and 2019 takes place on the expenditure side. The expenditure ratio is projected to decline at a faster pace than the revenue ratio, by 0.2 percentage points of GDP in 2018 and 0.5 percentage points in 2019. In 2019, declines in the ratio of social contributions to GDP and other revenues shares to GDP are expected according to the Draft Budgetary Plan. The shares of taxes on production and imports and current taxes on income are expected to remain broadly the same. Part of the fiscal improvement is generated through declining interest outlays reflecting falling interest rates in 2019. Even though the impact of deficit-increasing discretionary expenditure measures is higher than that of discretionary measures on the revenue side (by 0.3 percentage points of GDP), the fiscal adjustment appears to stem mainly from the expenditure side in 2019 as expenditure growth is considerably lower than that of nominal GDP. While the ratio of total investment to GDP decreased only marginally during the past 10 ***years***, the share of total public spending has declined by more than 1 percentage point. In terms of public spending shares over the past ten ***years***, investment has given way to higher spending on public wages bill, intermediate consumption and social expenses. Increases in salaries of teachers, healthcare staff and civil servants have driven up spending on the public 14 wage bill. This is expected to endure in 2018 and mainly in 2019, when the share of public wages in total spending is set to increase by 1 percentage point on ***year*** on ***year*** basis according to the Draft Budgetary Plan. These developments reflect the fact that investment is an expenditure item that can be – in case of a need – cut most easily. This deterioration, nevertheless, hides temporary hikes in investment, especially in 2015, which were related to massive increase in the drawdown on EU funds in view of the finishing 2007-2013 ***programming*** period and are likely to be repeated in the current ***programming*** period. This also illustrates the dependence of Slovak public investment on EU funds. The decline in public investment is projected to continue in 2019 according to the Draft Budgetary Plan. In 2018, the Ministry of Finance carried out spending reviews under the 'Value for Money' project in following areas: ***agriculture*** and rural development, groups at risk of poverty and social exclusion, healthcare II, and the remuneration in public administration. The results of these revisions will be taken into account when preparing the budget for the ***years*** 2020 to 2022. During the past 10 ***years***, revenues and expenditure ratios have grown by 4.9 percentage points and 4.0 percentage points of GDP, respectively. On the revenue side, this was driven mainly by growth in social contributions and, on the expenditure side, by social benefits and compensations of employees. Levels of both ratios were substantially lower than the EA19 averages. The tax structure remains almost the same in ***years*** 2018 and 2019 in comparison with 2017. The majority of discretionary revenue measures presented in the Draft Budgetary Plan are focused on tax revenues and social contributions. The introduction of new online electronic evidence of sales, nano-marker's additives in fuels and taxation of non-life insurance are likely to strengthen tax collection and make the tax structure less detrimental to growth. For measures that affect the tax wedge on labour, see to Box 4. Box 3. Addressing the tax burden on labour in the euro area The tax burden on labour in the euro area is relatively high, which weighs on economic activity and employment. Against this background, the Eurogroup has expressed a commitment to reduce the tax burden on labour. On 12 September 2015, the Eurogroup agreed to benchmark euro area Member States' tax burden on labour against the GDP-weighted EU average, relying in the first instance on indicators measuring the tax wedge on labour for a single worker at average wage and a single worker at low wage. It also agreed to relate these numbers to the OECD average for purposes of broader comparability. The tax wedge on labour measures the difference between the total labour costs to employ a worker and the worker’s net earnings. It is made up of personal income taxes and employer and employee social security contributions. The higher the tax wedge, the higher the disincentives to take up work or hire new staff. The graphs below show the tax wedge in Slovakia for a single worker earning respectively the average wage and a low wage (50% of the average) compared to the EU average. The tax burden on labour in Slovakia at the average wage and at low wage (2016) 15 Notes: No recent data is available for Cyprus. EU and EA averages are GDP-weighted. The OECD average is not weighted. Source: European Commission Tax and Benefit Indicator database based on OECD data. Benchmarking is only the first step in the process towards firm, country-specific policy conclusions. The tax burden on labour interacts with a wide variety of other policy elements such as the benefit system and the wage-setting system. A good employment performance indicates that the need to reduce labour taxation may be less urgent while fiscal constraints can dictate that labour tax cuts should be fully offset by other revenue-enhancing or expenditure-reducing measures. In-depth, country-specific analysis is necessary before drawing policy conclusions. Slovakia's Draft Budgetary Plan contains the following measures that affect the tax wedge on labour. The government introduced a voluntary 13th and 14th salary in 2018 which will be exempted from personal income tax and social security contributions in the final phase of implementation (2021). Since January 2018, health insurance allowances for employers were abolished, which will increase labour costs for employers. In addition, the income of pensioners (up to a certain ceiling) working on 'contract agreements' are also exempted from social security contributions from the mid-2018 onwards. As of 2021, tax settlements from social contributions will be performed on an annual basis (instead of monthly). Using annual settlements allows a smoother taxation over time and reduces possible optimization strategies. These measures correspond to stated government priorities and do not constitute a more general tax shift. The introduction of these measures is possible thanks to the strong cyclical position of the economy, which generally supports tax revenues. In the context of the European Semester, the Council addressed a number of country-specific recommendations to Slovakia on 13 July 2018. These included the recommendation to implement measures to increase the cost-effectiveness of the healthcare system and develop a more effective healthcare workforce strategy in 2018 and 2019. In response, the Draft Budgetary Plan reports a fall in health outlays by EUR 108 million due to the implementations of measures proposed in the first phase of the health care spending review. In 2018, the diagnosis-related groups (DRG) ***payment*** mechanism was operationalised with a five-***year*** convergence process for statutory cost rates for individual hospitals into one single nationwide rate. Additional resources in the budget for 2019 will be used for increasing wages for nurses and health personnel, upgrading technology and constructing new facilities. A new concept for hospitals' service stratification was introduced in 2018 with the aim to improve inpatient healthcare by 2030. The authorisation for hospitals to provide specialised healthcare will be granted only after the certain performance indicators have been met. By the end of 2018, the preliminary report of the second round of the healthcare spending review will be released. A comprehensive assessment of progress made in the implementation of the country-specific recommendations will be made in the 2019 Country Reports and in the context of the country-specific recommendations to be adopted by the Commission in May 2019. 16 6. OVERALL CONCLUSION The Draft Budgetary Plan points to a risk of a significant deviation from the required adjustment path towards the MTO in 2018. Following an overall assessment, this conclusion was confirmed by the Commission 2018 autumn forecast. Regarding 2019, and in addition to the Draft Budgetary Plan, the Slovak authorities publicly announced a planned reduction in government expenditure equivalent to 0.1% of GDP in 2019, which has been agreed by Slovakia's budgetary and financial committee on 20 November 2018. The Commission's assessment of this additional information suggests that the (recalculated) structural balance is expected to be close to the medium-term budgetary objective in 2019. On this basis, the overall assessment of both the Draft Budgetary Pan and the Commission's 2018 autumn forecast points to a risk of some deviation from the medium-term budgetary objective in 2019. However, if the structural balance is no longer projected to be close to the medium-term budgetary objective in future assessments for 2019, the overall assessment of compliance will need to take into account a possible deviation from that requirement.

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**End of Document**



[***Azeri economists slam government over state budget for 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R5K-YX21-DYRV-3555-00000-00&context=1516831)

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**Body**

Azerbaijani economists have criticised the state budget for the ***year*** 2018, which parliament has passed recently, independent Turan news agency reported. The economists said that expenditures and revenues in the state budget showed that economic reform has failed, and no reform should be expected next ***year***, and that there is no transparency as to how the government spends public money, the report said. The following is the text of report published by Turan on 7 December; subheadings have been inserted editorially:

7 December: A lion's share of public money will go to the implementation of government-run ***programmes*** and infrastructure and construction projects - economist

Economy to retain dependence on oil

The budget for the ***year*** 2018 suggests that the country's economy will retain its dependence on oil because most of the revenues of the people's wallet [state budget] is generated from oil. Expenditures on construction and infrastructure projects and other government-run non-transparent ***programmes*** are increased.

Government's projects not transparent

Economists say that government-run investment projects are not transparent and there is no detailed information about expenditures in that area. Although reports on the implementation of projects that are run with public money are supposed to be published on the website of the Finance Ministry, this does not happen. Up to 40 per cent of budget money goes to an unknown destination at the discretion of the government. Even parliament does not know where [that money goes] and what it is spent on, says Qubad Ibadoglu, the director of the Centre for Economic Reforms non-governmental union. He says that a fourth of the expenditures of the budget goes to the financing of infrastructure projects. However, there is absolutely no transparency in that field. There is no public monitoring of bids, and no reports are published.

Living wage not enough to live on

As for social expenditures envisaged in the budget, for some reason they include public sector employees' salaries. The living wage is increased in the budget by 11 per cent - to 173 manats [100 dollars] for the able-bodied population, to 144 manats for pensioners, and to 154 manats for children, which does not correspond even to the officially stated inflation rate, which is 14 per cent, let alone the real growth of prices. People in this country do not think that one can survive on that amount of money.

Non-transparent spending increases

Natig Jafarli, an economic expert and the executive secretary of the [opposition] movement Republican Alternative, said that spending on non-transparent state-run projects is increased in the budget for 2018:

"The expenditure part of the budget for next ***year*** is estimated to be approximately 21bn manats. Within budget expenditures, 10.8bn manats (51.5 per cent of all expenditures) will be channelled into different ***programmes*** and activities, construction and repair work and other meaningless expenses, which statemen in ties like especially much. Incidentally, there is a 46-per-cent (!) increase in those expenses in next ***year***'s budget as compared to this ***year***. In addition, 2.3bn manats are envisaged for ***payment*** of the public debt, which means that nearly 11 per cent of the funds from the "people's wallet" will be used to pay the debt, and this amount [to be used to pay the debt in 2018] is 38 per cent bigger than the amount this ***year***. Social expenditures will only make up for 7.6bn manats, including 4.2bn manats in salaries and 2.2bn manats in [university student] stipends and social ***payments***. It is not clear why this part of budget expenditures is called 'social expenditures', because it constitutes obligations. For example, if a firm pays salaries to its employees, its management does not say that that money is used to pay social expenses. The firm pays for work done by its employees, and that is its obligation [to pay salaries]. However, the government is doing a favour to its citizens, saying that their salaries are 'social expenditures'.

"Incidentally, next ***year*** the metro will get 89m manats and AZAL [state-owned airline] will get 10m manats in government subsidies, which are in the category of social expenditures. Science will get 128m manats, that is to say, 0.6 per cent of the budget. Education will get slightly more than 9 per cent, or 2bn manats, and most of that amount will be spent to pay salaries to teachers, although the world uses different approaches in this field. Health care will get 3.5 per cent, or 750m manats, most of which will also be used to pay salaries to medical staff. Culture and sports will get 304m manats, of which 75m are in the category 'other expenditures'.

Reforms failed, no further reform expected

"A total of 457m manats will be used on the utilities field, which is 1.5 times more than expenditures expected this ***year***. This item envisages cladding for buildings, construction of parks, marble sidewalks and other kinds of window dressing. ***Agriculture***, forestry, fishery, hunting and environment are to get 656m manats (plus 26.8 per cent on top of the amount expected to be spent this ***year***). Incidentally, this is the favourite expenditure item of statemen in ties. The president's back-up fund will be 200m manats, which means that allocations of 3m to 5m manats are expected [for local development projects] after each visit [by the president] to the regions, and this is the favourite item of regional government heads. So, one thing that the state budget for next ***year*** clearly shows is that one should not expect reforms and that we will linger within the same model - continuous development by way of embezzling the budget, which can be confidently described as 2018 pre-election budget."

Speaking about the revenue part of the budget, Ibadoglu stressed that the revenues of the "people's wallet" depend on ***transfers*** from the State Oil Fund and indirect revenues from the oil sector:

"Next ***year***, like in previous ***years***, a considerable part of the revenues of the state budget is formed from ***transfers*** from the State Oil Fund of the Azerbaijani Republic. Next ***year***, this source will provide for 45.8 per cent of the revenues of the state budget, or 9.22bn manats. With taxes taken into account, the proportion of the oil sector in the revenue part of the budget will cover two thirds of the revenues. This means that reforms that the authorities claim to have conducted to develop the non-oil sector have failed to produce quality changes."

On 1 December, the Milli Majlis [parliament] of the Azerbaijani Republic passed the law "On the state budget for the ***year*** 2018". Budget revenues are planned to be 20.13bn manats, while expenditures will be 21.05bn manats. The deficit of the state budget is forecast to be 920m manats (533.6m dollars), or 1.3 per cent of GDP.

Social and infrastructure expenditures will reportedly dominate the budget of the current ***year***. In the structure of the expenditures in 2018, 2.74bn manats are planned to go to defence, 2.2bn manats to social security, 2bn manats to education, and 740.66m manats to health care. State investment is envisaged to be 4.92bn manats, the Finance Ministry said.

Source: Turan news agency, Baku, in Russian 0640gmt 07 Dec 17

**Load-Date:** December 13, 2017

**End of Document**



[***Signup underway for the Market Facilitation Program (MFP)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5THF-77K1-F0YC-N3RK-00000-00&context=1516831)

Impact News Service

October 17, 2018 Wednesday

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**Length:** 448 words

**Body**

Washington,DC: USDA Farm Service Agency has issued the following news release:

The Market Facilitation ***Program*** (MFP) provides direct ***payments*** to help corn, cotton, sorghum, soybean, wheat, dairy, hog, shelled almonds and fresh sweet cherries producers who have been directly impacted by illegal retaliatory tariffs, resulting in the loss of traditional exports. The MFP is established under the statutory authority of the Commodity Credit Corporation (CCC) Charter Act and is under the administration of the U.S Department of ***Agriculture*** (USDA) Farm Service Agency (FSA). The Charter Act authorizes CCC to assist in the expansion of domestic markets or development of new and additional markets and uses.

Producers may apply for MFP through January 15, 2019.

An MFP ***payment***, based on at either the initial or second ***payment*** rate, will be made after a producer harvests 100 percent of the crop and certifies the amount of production.

The initial MFP rates are as follows:

         \*          Corn $0.01 per bushel           \*          Cotton $0.06 per pound          \*          Dairy $0.12 per cwt.               \*          Hogs $8.00 per head          \*          Soybeans $1.65 per bushel   \*          Sorghum $0.86 per bushel          \*          Wheat $0.14 per bushel

The MFP ***payment*** equals 2018 total production of the producer times 50 percent times the MFP rate. For example, a producer who harvested 100,000 bushels of wheat would receive an initial MFP ***payment*** totaling $7,000 (100,000 bushels times 50 percent times $0.14 per bushel). A second ***payment***, if available, may be issued using a different MFP rate.

Producers requesting a MFP ***payment*** must have a crop acreage report on file with FSA for MFP crop commodities. To be eligible for a MFP ***payment***, each corn, upland cotton, sorghum, soybean, wheat, shelled almonds and fresh sweet cherries producer is required to be a person or legal entity who was actively engaged in farming in 2018.

The ***payment*** for dairy production is based on the historical production reported for the Margin Protection ***Program*** for Dairy (MPP-Dairy). For existing dairy operations, the production history is established using the highest annual milk production marketed during the full ***calendar*** ***years*** of 2011, 2012, and 2013. Dairy operations are also required to have been in operation on June 1, 2018.

***Payment*** for hog operations will be based on the total number of head of live hogs on the preferred date August 1, 2018; however, for the few producers for whom that date is not representative of the number of head of hogs that they own, those producers may choose any day to from July 15 through August 15, 2018, as the date for which the ownership is reported.

**Load-Date:** October 31, 2018

**End of Document**



[***Contributions boosted; EU planning to cut subsidies for farmers and roads***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S65-KXX1-JB4C-N3VT-00000-00&context=1516831)

Handelsblatt Global

April 26, 2018 Thursday

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**Section:** POLITICS

**Length:** 387 words

**Highlight:** EU budget czar Günther Oettinger wants Germany to pay more and receive less. The country's state premiers aren't having it.

**Body**

Günther Oettinger may be a German politician, but as the budget commissioner for the European Union he is not doing his countrymen any favors. His medium-term budget for 2021 to 2027 would cut billions of euros in subsidies to German states while requiring substantially higher ***payments*** to the EU from the German government.

The subsidy cuts are so deep that for the first time in 11 ***years***, the prime ministers of all 16 German states trooped to Brussels to protest. "We do not want the cuts," said Manuela Schwesig, who heads the state government in Mecklenburg-Vorpommern.

Nonetheless, Mr. Oettinger is determined to save the EU money. For the two largest EU ***programs***, ***agricultural*** policy and the so-called cohesion policy, which is aid for less-developed parts of the EU, he said he would cut 6 percent of spending compared to the budget for 2020. The subsidies for farmers and structurally weak regions still account for 70 percent of the Brussels budget. But their share should "now drop to 60 percent," Mr. Oettinger said.

The inevitable budget changes should be distributed as evenly as possible to all of the EU's 27 members, he said. Net contributors should ***transfer*** more to Brussels and net recipients will get less. Austria and the Netherlands have already said they cannot contribute more.

In the current financial period from 2014 to 2020, the EU has around EURO 1 trillion available, which works out to about 1 percent of European economic output. For the next period, Mr. Oettinger wants to ask for between 1.13 and 1.18 percent of European gross national product. But commission officials believe that is likely to end up at the lower end of the range.

In addition, the commissioner is planning other profound changes in the way the EU gives assistance. He wants to make direct ***payments*** to farmers on a declining scale, with larger farms receiving less than before. In the case of structure funds, the EU wants comparatively prosperous regions to shoulder more than the usual 50 percent of project costs.

On the other hand, the EU is planning to increase help for regions that take care of large populations of refugees or have particularly high levels of youth unemployment.

Ruth Berschens heads Handelsblatt's Brussels office, leading coverage of European policy. To contact the [*author:berschens@handelsblatt.com*](mailto:author:berschens@handelsblatt.com)

**Load-Date:** April 27, 2018

**End of Document**



[***AMENDING THE WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS QUANTIFICATION ACT OF 2010 (Senate - November 15, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TRV-7SG1-F0YC-N3FD-00000-00&context=1516831)

Impact News Service

November 16, 2018 Friday

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**Length:** 74298 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. McCONNELL. Madam President, I ask unanimous consent that notwithstanding adoption of the motion to concur in the House amendment to S. 140 with further amendment No. 4054, as modified, that amendment No. 4054, as modified, be further modified with the changes at the desk. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment (No. 4054), as further modified, is as follows: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE.

This Act may be cited as the ``Frank LoBiondo Coast Guard Authorization Act of 2018''. SEC. 2. TABLE OF CONTENTS. The table of contents of this Act is as follows: Sec. 1. Short title. Sec. 2. Table of contents. TITLE I--REORGANIZATION OF TITLE 14, UNITED STATES CODE Sec. 101. Initial matter. Sec. 102. Subtitle I. Sec. 103. Chapter 1. Sec. 104. Chapter 3. Sec. 105. Chapter 5. Sec. 106. Chapter 7. Sec. 107. Chapter 9. Sec. 108. Chapter 11. Sec. 109. Subtitle II. Sec. 110. Chapter 19. Sec. 111. Part II. Sec. 112. Chapter 21. Sec. 113. Chapter 23. Sec. 114. Chapter 25. Sec. 115. Part III. Sec. 116. Chapter 27. Sec. 117. Chapter 29. Sec. 118. Subtitle III and chapter 37. Sec. 119. Chapter 39. Sec. 120. Chapter 41. Sec. 121. Subtitle IV and chapter 49. Sec. 122. Chapter 51. Sec. 123. References. Sec. 124. Rule of construction. TITLE II--AUTHORIZATIONS Sec. 201. Amendments to title 14, United States Code, as amended by title I of this Act. Sec. 202. Authorizations of appropriations. Sec. 203. Authorized levels of military strength and training. Sec. 204. Authorization of amounts for Fast Response Cutters. Sec. 205. Authorization of amounts for shoreside infrastructure. Sec. 206. Authorization of amounts for aircraft improvements. TITLE III--COAST GUARD Sec. 301. Amendments to title 14, United States Code, as amended by title I of this Act. Sec. 302. Primary duties. Sec. 303. National Coast Guard Museum. Sec. 304. Unmanned aircraft. Sec. 305. Coast Guard health-care professionals; licensure portability. Sec. 306. Training; emergency response providers. Sec. 307. Incentive contracts for Coast Guard yard and industrial establishments. Sec. 308. Confidential investigative expenses. Sec. 309. Regular captains; retirement. Sec. 310. Conversion, alteration, and repair projects. Sec. 311. Contracting for major acquisitions ***programs***. Sec. 312. Officer promotion zones. Sec. 313. Cross reference. Sec. 314. Commissioned service retirement. Sec. 315. Leave for birth or adoption of child. Sec. 316. Clothing at time of discharge. Sec. 317. Unfunded priorities list. Sec. 318. Safety of vessels of the Armed Forces. Sec. 319. Air facilities. TITLE IV--PORTS AND WATERWAYS SAFETY Sec. 401. Codification of Ports and Waterways Safety Act. Sec. 402. Conforming amendments. Sec. 403. Transitional and savings provisions. Sec. 404. Rule of construction. Sec. 405. Advisory committee: repeal. Sec. 406. Regattas and marine parades. Sec. 407. Regulation of vessels in territorial waters of United States. Sec. 408. Port, harbor, and coastal facility security. TITLE V--MARITIME TRANSPORTATION SAFETY Sec. 501. Consistency in marine inspections. Sec. 502. Uninspected passenger vessels in St. Louis County, Minnesota. Sec. 503. Engine cut-off switch requirements. Sec. 504. Exception from survival craft requirements. Sec. 505. Safety standards. Sec. 506. Fishing safety grants. Sec. 507. Fishing, fish tender, and fish processing vessel certification. Sec. 508. Deadline for compliance with alternate safety compliance ***program***. Sec. 509. Termination of unsafe operations; technical correction. [[Page S6974]] Sec. 510. Technical corrections: Licenses, certificates of registry, and merchant mariner documents. Sec. 511. Clarification of logbook entries. Sec. 512. Certificates of documentation for recreational vessels. Sec. 513. Numbering for undocumented barges. Sec. 514. Backup national timing system. Sec. 515. Scientific personnel. Sec. 516. Transparency. TITLE VI--ADVISORY COMMITTEES Sec. 601. National maritime transportation advisory committees. Sec. 602. Maritime Security Advisory Committees. TITLE VII--FEDERAL MARITIME COMMISSION Sec. 701. Short title. Sec. 702. Authorization of appropriations. Sec. 703. Reporting on impact of alliances on competition. Sec. 704. Definition of certain covered services. Sec. 705. Reports filed with the Commission. Sec. 706. Public participation. Sec. 707. Ocean transportation intermediaries. Sec. 708. Common carriers. Sec. 709. Negotiations. Sec. 710. Injunctive relief sought by the Commission. Sec. 711. Discussions. Sec. 712. Transparency. Sec. 713. Study of bankruptcy preparation and response. Sec. 714. Agreements unaffected. TITLE VIII--MISCELLANEOUS Sec. 801. Repeal of obsolete reporting requirement. Sec. 802. Corrections to provisions enacted by Coast Guard Authorization Acts. Sec. 803. Officer evaluation report. Sec. 804. Extension of authority. Sec. 805. Coast Guard ROTC ***program***. Sec. 806. Currency detection canine team ***program***. Sec. 807. Center of expertise for Great Lakes oil spill search and response. Sec. 808. Public safety answering points and maritime search and rescue coordination. Sec. 809. Ship shoal lighthouse ***transfer***: repeal. Sec. 810. Land exchange, Ayakulik Island, Alaska. Sec. 811. Use of Tract 43. Sec. 812. Coast Guard maritime domain awareness. Sec. 813. Monitoring. Sec. 814. Reimbursements for non-Federal construction costs of certain aids to navigation. Sec. 815. Towing safety management system fees. Sec. 816. Oil spill disbursements auditing and report. Sec. 817. Fleet requirements assessment and strategy. Sec. 818. National Security Cutter. Sec. 819. Acquisition plan for inland waterway and river tenders and bay-class icebreakers. Sec. 820. Great Lakes icebreaker acquisition. Sec. 821. Polar icebreakers. Sec. 822. Strategic assets in the Arctic. Sec. 823. Arctic planning criteria. Sec. 824. Vessel response plan audit. Sec. 825. Waters deemed not navigable waters of the United States for certain purposes. Sec. 826. Documentation of recreational vessels. Sec. 827. Equipment requirements; exemption from throwable personal flotation devices requirement. Sec. 828. Visual distress signals and alternative use. Sec. 829. Radar refresher training. Sec. 830. Commercial fishing vessel safety national communications plan. Sec. 831. Atlantic Coast port access route study recommendations. Sec. 832. Drawbridges. Sec. 833. Waiver. Sec. 834. Fire-retardant materials. Sec. 835. Vessel waiver. Sec. 836. Temporary limitations. Sec. 837. ***Transfer*** of Coast Guard property in Jupiter Island, Florida, for inclusion in Hobe Sound National Wildlife Refuge. Sec. 838. Emergency response. Sec. 839. Drawbridges consultation. TITLE IX--VESSEL INCIDENTAL DISCHARGE ACT Sec. 901. Short title. Sec. 902. Purposes; findings. Sec. 903. Standards for discharges incidental to normal operation of vessels. TITLE X--HYDROGRAPHIC SERVICES AND OTHER MATTERS Sec. 1001. Reauthorization of Hydrographic Services Improvement Act of 1998. Sec. 1002. System for tracking and reporting all-inclusive cost of hydrographic surveys. Sec. 1003. Homeport of certain research vessels. TITLE I--REORGANIZATION OF TITLE 14, UNITED STATES CODE SEC. 101. INITIAL MATTER. Title 14, United States Code, is amended by striking the title designation, the title heading, and the table of parts at the beginning and inserting the following: ``TITLE 14--COAST GUARD ``Subtitle Sec. ``I. Establishment, Powers, Duties, and Administration.........101 .... ``II. Personnel...............................................1901 .... ``III. Coast Guard Reserve and Auxiliary......................3701 .... ``IV. Coast Guard Authorizations and Reports to Congress....4901''..... SEC. 102. SUBTITLE I. Part I of title 14, United States Code, is amended by striking the part designation, the part heading, and the table of chapters at the beginning and inserting the following: ``Subtitle I--Establishment, Powers, Duties, and Administration ``Chap. Sec. ``1. Establishment and Duties..................................101 .... ``3. Composition and Organization..............................301 .... ``5. Functions and Powers......................................501 .... ``7. Cooperation...............................................701 .... ``9. Administration............................................901 .... ``11. Acquisitions..........................................1101''..... SEC. 103. CHAPTER 1. (a) Initial Matter.--Chapter 1 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 1--ESTABLISHMENT AND DUTIES ``Sec. ``101. Establishment of Coast Guard. ``102. Primary duties. ``103. Department in which the Coast Guard operates. ``104. Removing restrictions. ``105. Secretary defined. ``106. Commandant defined.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 1 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 1 Establishment of Coast Guard.............. 101 ------------------------------------------------------------------------ 2 Primary duties............................ 102 ------------------------------------------------------------------------ 3 Department in which the Coast Guard 103 operates................................. ------------------------------------------------------------------------ 652 Removing restrictions..................... 104 ------------------------------------------------------------------------ 4 Secretary defined......................... 105 ------------------------------------------------------------------------ 5 Commandant defined........................ 106 ------------------------------------------------------------------------ SEC. 104. CHAPTER 3. (a) Initial Matter.--Chapter 3 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 3--COMPOSITION AND ORGANIZATION ``Sec. ``301. Grades and ratings. ``302. Commandant; appointment. ``303. Retirement of Commandant or Vice Commandant. ``304. Vice Commandant; appointment. ``305. Vice admirals. ``306. Retirement. ``307. Vice admirals and admiral, continuity of grade. ``308. Chief Acquisition Officer. ``309. Office of the Coast Guard Reserve; Director. ``310. Chief of Staff to President: appointment. ``311. Captains of the port. ``312. Prevention and response workforces. ``313. Centers of expertise for Coast Guard prevention and response. ``314. Marine industry training ***program***. ``315. Training course on workings of Congress. ``316. National Coast Guard Museum. ``317. United States Coast Guard Band; composition; director. ``318. Environmental Compliance and Restoration ***Program***.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 3 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: [[Page S6975]] ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 41 Grades and ratings........................ 301 ------------------------------------------------------------------------ 44 Commandant; appointment................... 302 ------------------------------------------------------------------------ 46 Retirement of Commandant or Vice 303 Commandant............................... ------------------------------------------------------------------------ 47 Vice Commandant; appointment.............. 304 ------------------------------------------------------------------------ 50 Vice admirals............................. 305 ------------------------------------------------------------------------ 51 Retirement................................ 306 ------------------------------------------------------------------------ 52 Vice admirals and admiral, continuity of 307 grade.................................... ------------------------------------------------------------------------ 56 Chief Acquisition Officer................. 308 ------------------------------------------------------------------------ 53 Office of the Coast Guard Reserve; 309 Director................................. ------------------------------------------------------------------------ 54 Chief of Staff to President: appointment.. 310 ------------------------------------------------------------------------ 57 Prevention and response workforces........ 312 ------------------------------------------------------------------------ 58 Centers of expertise for Coast Guard 313 prevention and response.................. ------------------------------------------------------------------------ 59 Marine industry training ***program***.......... 314 ------------------------------------------------------------------------ 60 Training course on workings of Congress... 315 ------------------------------------------------------------------------ 98 National Coast Guard Museum............... 316 ------------------------------------------------------------------------ 336 United States Coast Guard Band; 317 composition; director.................... ------------------------------------------------------------------------ (c) Additional Changes.-- (1) In general.--Chapter 3 of title 14, United States Code, is further amended-- (A) by inserting after section 310 (as so redesignated and ***transferred*** under subsection (b)) the following: ``Sec. 311. Captains of the port ``Any officer, including any petty officer, may be designated by the Commandant as captain of the port or ports or adjacent high seas or waters over which the United States has jurisdiction, as the Commandant deems necessary to facilitate execution of Coast Guard duties.''; and (B) by inserting after section 317 (as so redesignated and ***transferred*** under subsection (b)) the following: ``Sec. 318. Environmental Compliance and Restoration ***Program*** ``(a) Definitions.--For the purposes of this section-- ``(1) `environment', `facility', `person', `release', `removal', `remedial', and `response' have the same meaning they have in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C 9601); ``(2) `hazardous substance' has the same meaning it has in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C 9601), except that it also includes the meaning given `oil' in section 311 of the Federal Water Pollution Control Act (33 U.S.C 1321); and ``(3) `pollutant' has the same meaning it has in section 502 of the Federal Water Pollution Control Act (33 U.S.C 1362). ``(b) ***Program***.-- ``(1) The Secretary shall carry out a ***program*** of environmental compliance and restoration at current and former Coast Guard facilities. ``(2) ***Program*** goals include: ``(A) Identifying, investigating, and cleaning up contamination from hazardous substances and pollutants. ``(B) Correcting other environmental damage that poses an imminent and substantial danger to the public health or welfare or to the environment. ``(C) Demolishing and removing unsafe buildings and structures, including buildings and structures at former Coast Guard facilities. ``(D) Preventing contamination from hazardous substances and pollutants at current Coast Guard facilities. ``(3)(A) The Secretary shall respond to releases of hazardous substances and pollutants-- ``(i) at each Coast Guard facility the United States owns, leases, or otherwise possesses; ``(ii) at each Coast Guard facility the United States owned, leased, or otherwise possessed when the actions leading to contamination from hazardous substances or pollutants occurred; and ``(iii) on each vessel the Coast Guard owns or operates. ``(B) Subparagraph (A) of this paragraph does not apply to a removal or remedial action when a potentially responsible person responds under section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C 9622). ``(C) The Secretary shall pay a fee or charge imposed by a State authority for permit services for disposing of hazardous substances or pollutants from Coast Guard facilities to the same extent that nongovernmental entities are required to pay for permit services. This subparagraph does not apply to a ***payment*** that is the responsibility of a lessee, contractor, or other private person. ``(4) The Secretary may agree with another Federal agency for that agency to assist in carrying out the Secretary's responsibilities under this section. The Secretary may enter into contracts, cooperative agreements, and grant agreements with State and local governments to assist in carrying out the Secretary's responsibilities under this section. Services that may be obtained under this paragraph include identifying, investigating, and cleaning up off-site contamination that may have resulted from the release of a hazardous substance or pollutant at a Coast Guard facility. ``(5) Section 119 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C 9619) applies to response action contractors that carry out response actions under this section. The Coast Guard shall indemnify response action contractors to the extent that adequate insurance is not generally available at a fair price at the time the contractor enters into the contract to cover the contractor's reasonable, potential, long-term liability. ``(c) Amounts Recovered for Response Actions.-- ``(1) All sums appropriated to carry out the Coast Guard's environmental compliance and restoration functions under this section or another law shall be credited or ***transferred*** to an appropriate Coast Guard account, as determined by the Commandant and remain available until expended. ``(2) Funds may be obligated or expended from such account to carry out the Coast Guard's environmental compliance and restoration functions under this section or another law. ``(3) In proposing the budget for any fiscal ***year*** under section 1105 of title 31, the President shall set forth separately the amount requested for the Coast Guard's environmental compliance and restoration activities under this section or another law. ``(4) Amounts recovered under section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C 9607) for the Secretary's response actions at current and former Coast Guard facilities shall be credited to an appropriate Coast Guard account, as determined by the Commandant. ``(d) Annual List of Projects to Congress.--The Commandant shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a prioritized list of projects eligible for environmental compliance and restoration funding for each fiscal ***year*** concurrent with the President's budget submission for that fiscal ***year***.''. (2) Conforming repeals.--Sections 634, 690, 691, 692, and 693 of title 14, United States Code, are repealed. SEC. 105. CHAPTER 5. (a) Initial Matter.--Chapter 5 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 5--FUNCTIONS AND POWERS ``subchapter i--general powers ``Sec. ``501. Secretary; general powers. ``502. Delegation of powers by the Secretary. ``503. Regulations. ``504. Commandant; general powers. ``505. Functions and powers vested in the Commandant. ``506. Prospective ***payment*** of funds necessary to provide medical care. ``507. Appointment of judges. ``subchapter ii--life saving and law enforcement authorities ``521. Saving life and property. ``522. Law enforcement. ``523. Enforcement authority. ``524. Enforcement of coastwise trade laws. ``525. Special agents of the Coast Guard Investigative Service law enforcement authority. ``526. Stopping vessels; indemnity for firing at or into vessel. ``527. Safety of naval vessels. ``528. Protecting against unmanned aircraft. ``subchapter iii--aids to navigation ``541. Aids to navigation authorized. ``542. Unauthorized aids to maritime navigation; penalty. ``543. Interference with aids to navigation; penalty. ``544. Aids to maritime navigation; penalty. ``545. Marking of obstructions. ``546. Deposit of damage ***payments***. ``547. Rewards for apprehension of persons interfering with aids to navigation. ``subchapter iv--miscellaneous ``561. Icebreaking in polar regions. ``562. Appeals and waivers. ``563. Notification of certain determinations.''. [[Page S6976]] (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 5 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 92 Secretary; general powers................. 501 ------------------------------------------------------------------------ 631 Delegation of powers by the Secretary..... 502 ------------------------------------------------------------------------ 633 Regulations............................... 503 ------------------------------------------------------------------------ 93 Commandant; general powers................ 504 ------------------------------------------------------------------------ 632 Functions and powers vested in the 505 Commandant............................... ------------------------------------------------------------------------ 520 Prospective ***payment*** of funds necessary to 506 provide medical care..................... ------------------------------------------------------------------------ 153 Appointment of judges..................... 507 ------------------------------------------------------------------------ 88 Saving life and property.................. 521 ------------------------------------------------------------------------ 89 Law enforcement........................... 522 ------------------------------------------------------------------------ 99 Enforcement authority..................... 523 ------------------------------------------------------------------------ 100 Enforcement of coastwise trade laws....... 524 ------------------------------------------------------------------------ 95 Special agents of the Coast Guard 525 Investigative Service law enforcement authority................................ ------------------------------------------------------------------------ 637 Stopping vessels; indemnity for firing at 526 or into vessel........................... ------------------------------------------------------------------------ 91 Safety of naval vessels................... 527 ------------------------------------------------------------------------ 104 Protecting against unmanned aircraft...... 528 ------------------------------------------------------------------------ 81 Aids to navigation authorized............. 541 ------------------------------------------------------------------------ 83 Unauthorized aids to maritime navigation; 542 penalty.................................. ------------------------------------------------------------------------ 84 Interference with aids to navigation; 543 penalty.................................. ------------------------------------------------------------------------ 85 Aids to maritime navigation; penalty...... 544 ------------------------------------------------------------------------ 86 Marking of obstructions................... 545 ------------------------------------------------------------------------ 642 Deposit of damage ***payments***................ 546 ------------------------------------------------------------------------ 643 Rewards for apprehension of persons 547 interfering with aids to navigation...... ------------------------------------------------------------------------ 87 Icebreaking in polar regions.............. 561 ------------------------------------------------------------------------ 101 Appeals and waivers....................... 562 ------------------------------------------------------------------------ 103 Notification of certain determinations.... 563 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 5 of title 14, United States Code, is further amended-- (1) by inserting before section 501 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--GENERAL POWERS''; (2) by inserting before section 521 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--LIFE SAVING AND LAW ENFORCEMENT AUTHORITIES''; (3) by inserting before section 541 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--AIDS TO NAVIGATION''; and (4) by inserting before section 561 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER IV--MISCELLANEOUS''. SEC. 106. CHAPTER 7. (a) Initial Matter.--Chapter 7 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 7--COOPERATION ``Sec. ``701. Cooperation with other agencies, States, territories, and political subdivisions. ``702. State Department. ``703. Treasury Department. ``704. Department of the Army and Department of the Air Force. ``705. Navy Department. ``706. United States Postal Service. ``707. Department of Commerce. ``708. Department of Health and Human Services. ``709. Maritime instruction. ``710. Assistance to foreign governments and maritime authorities. ``711. Coast Guard officers as attaches to missions. ``712. Contracts with Government-owned establishments for work and material. ``713. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide or obtain goods and services. ``714. Arctic maritime domain awareness. ``715. Oceanographic research. ``716. Arctic maritime transportation. ``717. Agreements.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 7 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 141 Cooperation with other agencies, States, 701 territories, and political subdivisions.. ------------------------------------------------------------------------ 142 State Department.......................... 702 ------------------------------------------------------------------------ 143 Treasury Department....................... 703 ------------------------------------------------------------------------ 144 Department of the Army and Department of 704 the Air Force............................ ------------------------------------------------------------------------ 145 Navy Department........................... 705 ------------------------------------------------------------------------ 146 United States Postal Service.............. 706 ------------------------------------------------------------------------ 147 Department of Commerce.................... 707 ------------------------------------------------------------------------ 147a Department of Health and Human Services... 708 ------------------------------------------------------------------------ 148 Maritime instruction...................... 709 ------------------------------------------------------------------------ 149 Assistance to foreign governments and 710 maritime authorities..................... ------------------------------------------------------------------------ 150 Coast Guard officers as attaches to 711 missions................................. ------------------------------------------------------------------------ 151 Contracts with Government-owned 712 establishments for work and material..... ------------------------------------------------------------------------ 152 Nonappropriated fund instrumentalities: 713 contracts with other agencies and instrumentalities to provide or obtain goods and services....................... ------------------------------------------------------------------------ 154 Arctic maritime domain awareness.......... 714 ------------------------------------------------------------------------ 94 Oceanographic research.................... 715 ------------------------------------------------------------------------ 90 Arctic maritime transportation............ 716 ------------------------------------------------------------------------ 102 Agreements................................ 717 ------------------------------------------------------------------------ [[Page S6977]] SEC. 107. CHAPTER 9. (a) Initial Matter.--Chapter 9 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 9--ADMINISTRATION ``subchapter i--real and personal property ``Sec. ``901. Disposal of certain material. ``902. Employment of draftsmen and engineers. ``903. Use of certain appropriated funds. ``904. Local hire. ``905. Procurement authority for family housing. ``906. Air Station Cape Cod Improvements. ``907. Long-term lease of special purpose facilities. ``908. Long-term lease authority for lighthouse property. ``909. Small boat station rescue capability. ``910. Small boat station closures. ``911. Search and rescue center standards. ``912. Air facility closures. ``913. Turnkey selection procedures. ``914. Disposition of infrastructure related to E-LORAN. ``subchapter ii--miscellaneous ``931. Oaths required for boards. ``932. Administration of oaths. ``933. Coast Guard ensigns and pennants. ``934. Penalty for unauthorized use of words `Coast Guard'. ``935. Coast Guard band recordings for commercial sale. ``936. Confidentiality of medical quality assurance records; qualified immunity for participants. ``937. Admiralty claims against the United States. ``938. Claims for damage to property of the United States. ``939. Accounting for industrial work. ``940. Supplies and equipment from stock. ``941. Coast Guard Supply Fund. ``942. Public and commercial vessels and other watercraft; sale of fuel, supplies, and services. ``943. Arms and ammunition; immunity from taxation. ``944. Confidential investigative expenses. ``945. Assistance to film producers. ``946. User fees. ``947. Vessel construction bonding requirements. ``948. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care. ``949. Telephone installation and charges. ``950. Designation, powers, and accountability of deputy disbursing officials. ``951. Aircraft accident investigations.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 9 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 641 Disposal of certain material.............. 901 ------------------------------------------------------------------------ 653 Employment of draftsmen and engineers..... 902 ------------------------------------------------------------------------ 656 Use of certain appropriated funds......... 903 ------------------------------------------------------------------------ 666 Local hire................................ 904 ------------------------------------------------------------------------ 670 Procurement authority for family housing.. 905 ------------------------------------------------------------------------ 671 Air Station Cape Cod Improvements......... 906 ------------------------------------------------------------------------ 672 Long-term lease of special purpose 907 facilities............................... ------------------------------------------------------------------------ 672a Long-term lease authority for lighthouse 908 property................................. ------------------------------------------------------------------------ 674 Small boat station rescue capability...... 909 ------------------------------------------------------------------------ 675 Small boat station closures............... 910 ------------------------------------------------------------------------ 676 Search and rescue center standards........ 911 ------------------------------------------------------------------------ 676a Air facility closures..................... 912 ------------------------------------------------------------------------ 677 Turnkey selection procedures.............. 913 ------------------------------------------------------------------------ 681 Disposition of infrastructure related to E- 914 LORAN.................................... ------------------------------------------------------------------------ 635 Oaths required for boards................. 931 ------------------------------------------------------------------------ 636 Administration of oaths................... 932 ------------------------------------------------------------------------ 638 Coast Guard ensigns and pennants.......... 933 ------------------------------------------------------------------------ 639 Penalty for unauthorized use of words 934 ``Coast Guard''.......................... ------------------------------------------------------------------------ 640 Coast Guard band recordings for commercial 935 sale..................................... ------------------------------------------------------------------------ 645 Confidentiality of medical quality 936 assurance records; qualified immunity for participants............................. ------------------------------------------------------------------------ 646 Admiralty claims against the United States 937 ------------------------------------------------------------------------ 647 Claims for damage to property of the 938 United States............................ ------------------------------------------------------------------------ 648 Accounting for industrial work............ 939 ------------------------------------------------------------------------ 649 Supplies and equipment from stock......... 940 ------------------------------------------------------------------------ 650 Coast Guard Supply Fund................... 941 ------------------------------------------------------------------------ 654 Public and commercial vessels and other 942 watercraft; sale of fuel, supplies, and services................................. ------------------------------------------------------------------------ 655 Arms and ammunition; immunity from 943 taxation................................. ------------------------------------------------------------------------ 658 Confidential investigative expenses....... 944 ------------------------------------------------------------------------ 659 Assistance to film producers.............. 945 ------------------------------------------------------------------------ 664 User fees................................. 946 ------------------------------------------------------------------------ 667 Vessel construction bonding requirements.. 947 ------------------------------------------------------------------------ 668 Contracts for medical care for retirees, 948 dependents, and survivors: alternative delivery of health care.................. ------------------------------------------------------------------------ 669 Telephone installation and charges........ 949 ------------------------------------------------------------------------ 673 Designation, powers, and accountability of 950 deputy disbursing officials.............. ------------------------------------------------------------------------ 678 Aircraft accident investigations.......... 951 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 9 of title 14, United States Code, is further amended-- (1) by inserting before section 901 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--REAL AND PERSONAL PROPERTY''; and (2) by inserting before section 931 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--MISCELLANEOUS''. SEC. 108. CHAPTER 11. (a) Initial Matter.--Chapter 11 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 11--ACQUISITIONS ``subchapter i--general provisions ``Sec. ``1101. Acquisition directorate. ``1102. Improvements in Coast Guard acquisition management. ``1103. Role of Vice Commandant in major acquisition ***programs***. ``1104. Recognition of Coast Guard personnel for excellence in acquisition. ``1105. Prohibition on use of lead systems integrators. ``1106. Required contract terms. ``1107. Extension of major acquisition ***program*** contracts. [[Page S6978]] ``1108. Department of Defense consultation. ``1109. Undefinitized contractual actions. ``1110. Mission need statement. ``subchapter ii--improved acquisition process and procedures ``1131. Identification of major system acquisitions. ``1132. Acquisition. ``1133. Preliminary development and demonstration. ``1134. Acquisition, production, deployment, and support. ``1135. Acquisition ***program*** baseline breach. ``1136. Acquisition approval authority. ``subchapter iii--procurement ``1151. Restriction on construction of vessels in foreign shipyards. ``1152. Advance procurement funding. ``1153. Prohibition on overhaul, repair, and maintenance of Coast Guard vessels in foreign shipyards. ``1154. Procurement of buoy chain. ``1155. Contract termination. ``subchapter iv--definitions ``1171. Definitions.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 11 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 561 Acquisition directorate................... 1101 ------------------------------------------------------------------------ 562 Improvements in Coast Guard acquisition 1102 management............................... ------------------------------------------------------------------------ 578 Role of Vice Commandant in major 1103 acquisition ***programs***..................... ------------------------------------------------------------------------ 563 Recognition of Coast Guard personnel for 1104 excellence in acquisition................ ------------------------------------------------------------------------ 564 Prohibition on use of lead systems 1105 integrators.............................. ------------------------------------------------------------------------ 565 Required contract terms................... 1106 ------------------------------------------------------------------------ 579 Extension of major acquisition ***program*** 1107 contracts................................ ------------------------------------------------------------------------ 566 Department of Defense consultation........ 1108 ------------------------------------------------------------------------ 567 Undefinitized contractual actions......... 1109 ------------------------------------------------------------------------ 569 Mission need statement.................... 1110 ------------------------------------------------------------------------ 571 Identification of major system 1131 acquisitions............................. ------------------------------------------------------------------------ 572 Acquisition............................... 1132 ------------------------------------------------------------------------ 573 Preliminary development and demonstration. 1133 ------------------------------------------------------------------------ 574 Acquisition, production, deployment, and 1134 support.................................. ------------------------------------------------------------------------ 575 Acquisition ***program*** baseline breach....... 1135 ------------------------------------------------------------------------ 576 Acquisition approval authority............ 1136 ------------------------------------------------------------------------ 665 Restriction on construction of vessels in 1151 foreign shipyards........................ ------------------------------------------------------------------------ 577 Advance procurement funding............... 1152 ------------------------------------------------------------------------ 96 Prohibition on overhaul, repair, and 1153 maintenance of Coast Guard vessels in foreign shipyards........................ ------------------------------------------------------------------------ 97 Procurement of buoy chain................. 1154 ------------------------------------------------------------------------ 657 Contract termination...................... 1155 ------------------------------------------------------------------------ 581 Definitions............................... 1171 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 11 of title 14, United States Code, is further amended-- (1) by striking all subdivision designations and headings in such chapter, except for-- (A) the chapter designation and heading added by subsection (a); (B) the subchapter designations and headings added by this subsection; and (C) any designation or heading of a section or a subdivision of a section; (2) by inserting before section 1101 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--GENERAL PROVISIONS''; (3) by inserting before section 1131 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--IMPROVED ACQUISITION PROCESS AND PROCEDURES''; (4) by inserting before section 1151 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--PROCUREMENT''; and (5) by inserting before section 1171 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER IV--DEFINITIONS''. SEC. 109. SUBTITLE II. (a) Initial Matter.--Title 14, United States Code, is further amended by inserting after chapter 11 (as amended by section 108) the following: ``Subtitle II--Personnel ``Chap. Sec. ``19. Coast Guard Academy.....................................1901 .... ``21. Personnel; Officers.....................................2101 .... ``23. Personnel; Enlisted.....................................2301 .... ``25. Personnel; General Provisions...........................2501 .... ``27. Pay, Allowances, Awards, and Other Rights and Benefits..2701 .... ``29. Coast Guard Family Support, Child Care, and Housing...2901''..... (b) Reserved Chapter Numbers.-- (1) Chapter 13.--Chapter 13 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning. (2) Chapter 14.--Chapter 14 of title 14, United States Code, is amended-- (A) by striking the chapter designation, the chapter heading, and the table of sections at the beginning; and (B) by striking the subchapter designation and the subchapter heading for each of the subchapters of such chapter. (3) Chapter 15.--Chapter 15 of title 14, United States Code, is amended-- (A) by striking the chapter designation, the chapter heading, and the table of sections at the beginning; and (B) by striking the subchapter designation and the subchapter heading for each of the subchapters of such chapter. (4) Chapter 17.--Chapter 17 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning. (5) Chapter 18.--Chapter 18 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning. SEC. 110. CHAPTER 19. (a) Initial Matter.--Chapter 19 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 19--COAST GUARD ACADEMY ``subchapter i--administration ``Sec. ``1901. Administration of Academy. ``1902. Policy on sexual harassment and sexual violence. ``1903. Annual Board of Visitors. ``1904. Participation in Federal, State, or other educational research grants. ``subchapter ii--cadets ``1921. Corps of Cadets authorized strength. ``1922. Appointments. ``1923. Admission of foreign nationals for instruction; restrictions; conditions. ``1924. Conduct. ``1925. Agreement. ``1926. Cadet applicants; preappointment travel to Academy. ``1927. Cadets; initial clothing allowance. ``1928. Cadets; degree of bachelor of science. ``1929. Cadets; appointment as ensign. ``1930. Cadets: charges and fees for attendance; limitation. ``subchapter iii--faculty ``1941. Civilian teaching staff. ``1942. Permanent commissioned teaching staff; composition. ``1943. Appointment of permanent commissioned teaching staff. ``1944. Grade of permanent commissioned teaching staff. ``1945. Retirement of permanent commissioned teaching staff. ``1946. Credit for service as member of civilian teaching staff. ``1947. Assignment of personnel as instructors. ``1948. Marine safety curriculum.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- [[Page S6979]] (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 19 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 181 Administration of Academy................. 1901 ------------------------------------------------------------------------ 200 Policy on sexual harassment and sexual 1902 violence................................. ------------------------------------------------------------------------ 194 Annual Board of Visitors.................. 1903 ------------------------------------------------------------------------ 196 Participation in Federal, State, or other 1904 educational research grants.............. ------------------------------------------------------------------------ 195 Admission of foreign nationals for 1923 instruction; restrictions; conditions.... ------------------------------------------------------------------------ 181a Cadet applicants; preappointment travel to 1926 Academy.................................. ------------------------------------------------------------------------ 183 Cadets; initial clothing allowance........ 1927 ------------------------------------------------------------------------ 184 Cadets; degree of bachelor of science..... 1928 ------------------------------------------------------------------------ 185 Cadets; appointment as ensign............. 1929 ------------------------------------------------------------------------ 197 Cadets: charges and fees for attendance; 1930 limitation............................... ------------------------------------------------------------------------ 186 Civilian teaching staff................... 1941 ------------------------------------------------------------------------ 187 Permanent commissioned teaching staff; 1942 composition.............................. ------------------------------------------------------------------------ 188 Appointment of permanent commissioned 1943 teaching staff........................... ------------------------------------------------------------------------ 189 Grade of permanent commissioned teaching 1944 staff.................................... ------------------------------------------------------------------------ 190 Retirement of permanent commissioned 1945 teaching staff........................... ------------------------------------------------------------------------ 191 Credit for service as member of civilian 1946 teaching staff........................... ------------------------------------------------------------------------ 192 Assignment of personnel as instructors.... 1947 ------------------------------------------------------------------------ 199 Marine safety curriculum.................. 1948 ------------------------------------------------------------------------ (c) Additional Changes.-- (1) In general.--Chapter 19 of title 14, United States Code, is further amended-- (A) by inserting before section 1901 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--ADMINISTRATION''; (B) by inserting before section 1923 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--CADETS ``Sec. 1921. Corps of Cadets authorized strength ``The number of cadets appointed annually to the Academy shall be as determined by the Secretary but the number appointed in any one ***year*** shall not exceed six hundred. ``Sec. 1922. Appointments ``Appointments to cadetships shall be made under regulations prescribed by the Secretary, who shall determine age limits, methods of selection of applicants, term of service as a cadet before graduation, and all other matters affecting such appointments. In the administration of this section, the Secretary shall take such action as may be necessary and appropriate to insure that female individuals shall be eligible for appointment and admission to the Coast Guard Academy, and that the relevant standards required for appointment, admission, training, graduation, and commissioning of female individuals shall be the same as those required for male individuals, except for those minimum essential adjustments in such standards required because of physiological differences between male and female individuals.''; (C) by inserting before section 1926 (as so redesignated and ***transferred*** under subsection (b)) the following: ``Sec. 1924. Conduct ``The Secretary may summarily dismiss from the Coast Guard any cadet who, during his cadetship, is found unsatisfactory in either studies or conduct, or may be deemed not adapted for a career in the Coast Guard. Cadets shall be subject to rules governing discipline prescribed by the Commandant. ``Sec. 1925. Agreement ``(a) Each cadet shall sign an agreement with respect to the cadet's length of service in the Coast Guard. The agreement shall provide that the cadet agrees to the following: ``(1) That the cadet will complete the course of instruction at the Coast Guard Academy. ``(2) That upon graduation from the Coast Guard Academy the cadet-- ``(A) will accept an appointment, if tendered, as a commissioned officer of the Coast Guard; and ``(B) will serve on active duty for at least five ***years*** immediately after such appointment. ``(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before the completion of the commissioned service obligation of the cadet, the cadet-- ``(A) will accept an appointment as a commissioned officer in the Coast Guard Reserve; and ``(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet. ``(b)(1) The Secretary may ***transfer*** to the Coast Guard Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four ***years***), a cadet who breaches an agreement under subsection (a). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of title 10. ``(2) A cadet who is ***transferred*** to the Coast Guard Reserve under paragraph (1) shall be ***transferred*** in an appropriate enlisted grade or rating, as determined by the Secretary. ``(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (a) if the cadet is separated from the Coast Guard Academy under circumstances which the Secretary determines constitute a breach by the cadet of the cadet's agreement to complete the course of instruction at the Coast Guard Academy and accept an appointment as a commissioned officer upon graduation from the Coast Guard Academy. ``(c) The Secretary shall prescribe regulations to carry out this section. Those regulations shall include-- ``(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a); ``(2) procedures for determining whether such a breach has occurred; and ``(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b). ``(d) In this section, `commissioned service obligation', with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary, any later date up to the eighth anniversary of such appointment. ``(e)(1) This section does not apply to a cadet who is not a citizen or national of the United States. ``(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (a) only with the consent of the parent or guardian. ``(f) A cadet or former cadet who does not fulfill the terms of the obligation to serve as specified under section (a), or the alternative obligation imposed under subsection (b), shall be subject to the repayment provisions of section 303a(e) of title 37.''; and (D) by inserting before section 1941 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--FACULTY''. (2) Conforming repeal.--Section 182 of title 14, United States Code, is repealed. SEC. 111. PART II. Part II of title 14, United States Code, is amended by striking the part designation, the part heading, and the table of chapters at the beginning. SEC. 112. CHAPTER 21. (a) Initial Matter.--Chapter 21 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 21--PERSONNEL; OFFICERS ``subchapter i--appointment and promotion ``Sec. ``2101. Original appointment of permanent commissioned officers. ``2102. Active duty promotion list. ``2103. Number and distribution of commissioned officers on active duty promotion list. ``2104. Appointment of temporary officers. ``2105. Rank of warrant officers. ``2106. Selection boards; convening of boards. ``2107. Selection boards; composition of boards. ``2108. Selection boards; notice of convening; communication with board. ``2109. Selection boards; oath of members. ``2110. Number of officers to be selected for promotion. ``2111. Promotion zones. ``2112. Promotion ***year***; defined. [[Page S6980]] ``2113. Eligibility of officers for consideration for promotion. ``2114. United States Deputy Marshals in Alaska. ``2115. Selection boards; information to be furnished boards. ``2116. Officers to be recommended for promotion. ``2117. Selection boards; reports. ``2118. Selection boards; submission of reports. ``2119. Failure of selection for promotion. ``2120. Special selection boards; correction of errors. ``2121. Promotions; appointments. ``2122. Removal of officer from list of selectees for promotion. ``2123. Promotions; acceptance; oath of office. ``2124. Promotions; pay and allowances. ``2125. Wartime temporary service promotions. ``2126. Promotion of officers not included on active duty promotion list. ``2127. Recall to active duty during war or national emergency. ``2128. Recall to active duty with consent of officer. ``2129. Aviation cadets; appointment as Reserve officers. ``subchapter ii--discharges; retirements; revocation of commissions; separation for cause ``2141. Revocation of commissions during first five ***years*** of commissioned service. ``2142. Regular lieutenants (junior grade); separation for failure of selection for promotion. ``2143. Regular lieutenants; separation for failure of selection for promotion; continuation. ``2144. Regular Coast Guard; officers serving under temporary appointments. ``2145. Regular lieutenant commanders and commanders; retirement for failure of selection for promotion. ``2146. Discharge in lieu of retirement; separation pay. ``2147. Regular warrant officers: separation pay. ``2148. Separation for failure of selection for promotion or continuation; time of. ``2149. Regular captains; retirement. ``2150. Captains; continuation on active duty; involuntary retirement. ``2151. Rear admirals and rear admirals (lower half); continuation on active duty; involuntary retirement. ``2152. Voluntary retirement after twenty ***years***' service. ``2153. Voluntary retirement after thirty ***years***' service. ``2154. Compulsory retirement. ``2155. Retirement for physical disability after selection for promotion; grade in which retired. ``2156. Deferment of retirement or separation for medical reasons. ``2157. Flag officers. ``2158. Review of records of officers. ``2159. Boards of inquiry. ``2160. Boards of review. ``2161. Composition of boards. ``2162. Rights and procedures. ``2163. Removal of officer from active duty; action by Secretary. ``2164. Officers considered for removal; retirement or discharge; separation benefits. ``2165. Relief of retired officer promoted while on active duty. ``subchapter iii--general provisions ``2181. Physical fitness of officers. ``2182. Multirater assessment of certain personnel.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 21 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 211 Original appointment of permanent 2101 commissioned officers.................... ------------------------------------------------------------------------ 41a Active duty promotion list................ 2102 ------------------------------------------------------------------------ 42 Number and distribution of commissioned 2103 officers on active duty promotion list... ------------------------------------------------------------------------ 214 Appointment of temporary officers......... 2104 ------------------------------------------------------------------------ 215 Rank of warrant officers.................. 2105 ------------------------------------------------------------------------ 251 Selection boards; convening of boards..... 2106 ------------------------------------------------------------------------ 252 Selection boards; composition of boards... 2107 ------------------------------------------------------------------------ 253 Selection boards; notice of convening; 2108 communication with board................. ------------------------------------------------------------------------ 254 Selection boards; oath of members......... 2109 ------------------------------------------------------------------------ 255 Number of officers to be selected for 2110 promotion................................ ------------------------------------------------------------------------ 256 Promotion zones........................... 2111 ------------------------------------------------------------------------ 256a Promotion ***year***; defined................... 2112 ------------------------------------------------------------------------ 257 Eligibility of officers for consideration 2113 for promotion............................ ------------------------------------------------------------------------ 258 Selection boards; information to be 2115 furnished boards......................... ------------------------------------------------------------------------ 259 Officers to be recommended for promotion.. 2116 ------------------------------------------------------------------------ 260 Selection boards; reports................. 2117 ------------------------------------------------------------------------ 261 Selection boards; submission of reports... 2118 ------------------------------------------------------------------------ 262 Failure of selection for promotion........ 2119 ------------------------------------------------------------------------ 263 Special selection boards; correction of 2120 errors................................... ------------------------------------------------------------------------ 271 Promotions; appointments.................. 2121 ------------------------------------------------------------------------ 272 Removal of officer from list of selectees 2122 for promotion............................ ------------------------------------------------------------------------ 273 Promotions; acceptance; oath of office.... 2123 ------------------------------------------------------------------------ 274 Promotions; pay and allowances............ 2124 ------------------------------------------------------------------------ 275 Wartime temporary service promotions...... 2125 ------------------------------------------------------------------------ 276 Promotion of officers not included on 2126 active duty promotion list............... ------------------------------------------------------------------------ 331 Recall to active duty during war or 2127 national emergency....................... ------------------------------------------------------------------------ 332 Recall to active duty with consent of 2128 officer.................................. ------------------------------------------------------------------------ 373 Aviation cadets; appointment as Reserve 2129 officers................................. ------------------------------------------------------------------------ 281 Revocation of commissions during first 2141 five ***years*** of commissioned service....... ------------------------------------------------------------------------ 282 Regular lieutenants (junior grade); 2142 separation for failure of selection for promotion................................ ------------------------------------------------------------------------ 283 Regular lieutenants; separation for 2143 failure of selection for promotion; continuation............................. ------------------------------------------------------------------------ 284 Regular Coast Guard; officers serving 2144 under temporary appointments............. ------------------------------------------------------------------------ 285 Regular lieutenant commanders and 2145 commanders; retirement for failure of selection for promotion.................. ------------------------------------------------------------------------ 286 Discharge in lieu of retirement; 2146 separation pay........................... ------------------------------------------------------------------------ 286a Regular warrant officers: separation pay.. 2147 ------------------------------------------------------------------------ [[Page S6981]] 287 Separation for failure of selection for 2148 promotion or continuation; time of....... ------------------------------------------------------------------------ 288 Regular captains; retirement.............. 2149 ------------------------------------------------------------------------ 289 Captains; continuation on active duty; 2150 involuntary retirement................... ------------------------------------------------------------------------ 290 Rear admirals and rear admirals (lower 2151 half); continuation on active duty; involuntary retirement................... ------------------------------------------------------------------------ 291 Voluntary retirement after twenty ***years***' 2152 service.................................. ------------------------------------------------------------------------ 292 Voluntary retirement after thirty ***years***' 2153 service.................................. ------------------------------------------------------------------------ 293 Compulsory retirement..................... 2154 ------------------------------------------------------------------------ 294 Retirement for physical disability after 2155 selection for promotion; grade in which retired.................................. ------------------------------------------------------------------------ 295 Deferment of retirement or separation for 2156 medical reasons.......................... ------------------------------------------------------------------------ 296 Flag officers............................. 2157 ------------------------------------------------------------------------ 321 Review of records of officers............. 2158 ------------------------------------------------------------------------ 322 Boards of inquiry......................... 2159 ------------------------------------------------------------------------ 323 Boards of review.......................... 2160 ------------------------------------------------------------------------ 324 Composition of boards..................... 2161 ------------------------------------------------------------------------ 325 Rights and procedures..................... 2162 ------------------------------------------------------------------------ 326 Removal of officer from active duty; 2163 action by Secretary...................... ------------------------------------------------------------------------ 327 Officers considered for removal; 2164 retirement or discharge; separation benefits................................. ------------------------------------------------------------------------ 333 Relief of retired officer promoted while 2165 on active duty........................... ------------------------------------------------------------------------ 335 Physical fitness of officers.............. 2181 ------------------------------------------------------------------------ 429 Multirater assessment of certain personnel 2182 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 21 of title 14, United States Code, is further amended-- (1) by striking all subchapter designations and headings in such chapter, except for the subchapter designations and headings added by this subsection; (2) by inserting before section 2101 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--APPOINTMENT AND PROMOTION''; (3) by inserting before section 2115 (as so redesignated and ***transferred*** under subsection (b)) the following: ``Sec. 2114. United States Deputy Marshals in Alaska ``Commissioned officers may be appointed as United States Deputy Marshals in Alaska.''; (4) by inserting before section 2141 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--DISCHARGES; RETIREMENTS; REVOCATION OF COMMISSIONS; SEPARATION FOR CAUSE''; and (5) by inserting before section 2181 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--GENERAL PROVISIONS''. SEC. 113. CHAPTER 23. (a) Initial Matter.--Chapter 23 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 23--PERSONNEL; ENLISTED ``Sec. ``2301. Recruiting campaigns. ``2302. Enlistments; term, grade. ``2303. Promotion. ``2304. Compulsory retirement at age of sixty-two. ``2305. Voluntary retirement after thirty ***years***' service. ``2306. Voluntary retirement after twenty ***years***' service. ``2307. Retirement of enlisted members: increase in retired pay. ``2308. Recall to active duty during war or national emergency. ``2309. Recall to active duty with consent of member. ``2310. Relief of retired enlisted member promoted while on active duty. ``2311. Retirement in cases where higher grade or rating has been held. ``2312. Extension of enlistments. ``2313. Retention beyond term of enlistment in case of disability. ``2314. Detention beyond term of enlistment. ``2315. Inclusion of certain conditions in enlistment contract. ``2316. Discharge within three months before expiration of enlistment. ``2317. Aviation cadets; procurement; ***transfer***. ``2318. Aviation cadets; benefits. ``2319. Critical skill training bonus.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 23 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 350 Recruiting campaigns...................... 2301 ------------------------------------------------------------------------ 351 Enlistments; term, grade.................. 2302 ------------------------------------------------------------------------ 352 Promotion................................. 2303 ------------------------------------------------------------------------ 353 Compulsory retirement at age of sixty-two. 2304 ------------------------------------------------------------------------ 354 Voluntary retirement after thirty ***years***' 2305 service.................................. ------------------------------------------------------------------------ 355 Voluntary retirement after twenty ***years***' 2306 service.................................. ------------------------------------------------------------------------ 357 Retirement of enlisted members: increase 2307 in retired pay........................... ------------------------------------------------------------------------ 359 Recall to active duty during war or 2308 national emergency....................... ------------------------------------------------------------------------ 360 Recall to active duty with consent of 2309 member................................... ------------------------------------------------------------------------ 361 Relief of retired enlisted member promoted 2310 while on active duty..................... ------------------------------------------------------------------------ 362 Retirement in cases where higher grade or 2311 rating has been held..................... ------------------------------------------------------------------------ 365 Extension of enlistments.................. 2312 ------------------------------------------------------------------------ 366 Retention beyond term of enlistment in 2313 case of disability....................... ------------------------------------------------------------------------ 367 Detention beyond term of enlistment....... 2314 ------------------------------------------------------------------------ 369 Inclusion of certain conditions in 2315 enlistment contract...................... ------------------------------------------------------------------------ 370 Discharge within three months before 2316 expiration of enlistment................. ------------------------------------------------------------------------ 371 Aviation cadets; procurement; ***transfer***.... 2317 ------------------------------------------------------------------------ 372 Aviation cadets; benefits................. 2318 ------------------------------------------------------------------------ 374 Critical skill training bonus............. 2319 ------------------------------------------------------------------------ SEC. 114. CHAPTER 25. (a) Initial Matter.--Chapter 25 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: [[Page S6982]] ``CHAPTER 25--PERSONNEL; GENERAL PROVISIONS ``subchapter i--general provisions ``Sec. ``2501. Grade on retirement. ``2502. Retirement. ``2503. Status of recalled personnel. ``2504. Computation of retired pay. ``2505. Limitations on retirement and retired pay. ``2506. Suspension of ***payment*** of retired pay of members who are absent from the United States to avoid prosecution. ``2507. Board for Correction of Military Records deadline. ``2508. Emergency leave retention authority. ``2509. Prohibition of certain involuntary administrative separations. ``2510. Sea service letters. ``2511. Investigations of flag officers and Senior Executive Service employees. ``2512. Leave policies for the Coast Guard. ``2513. Computation of length of service. ``subchapter ii--lighthouse service ``2531. Personnel of former Lighthouse Service.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 25 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 334 Grade on retirement....................... 2501 ------------------------------------------------------------------------ 421 Retirement................................ 2502 ------------------------------------------------------------------------ 422 Status of recalled personnel.............. 2503 ------------------------------------------------------------------------ 423 Computation of retired pay................ 2504 ------------------------------------------------------------------------ 424 Limitations on retirement and retired pay. 2505 ------------------------------------------------------------------------ 424a Suspension of ***payment*** of retired pay of 2506 members who are absent from the United States to avoid prosecution.............. ------------------------------------------------------------------------ 425 Board for Correction of Military Records 2507 deadline................................. ------------------------------------------------------------------------ 426 Emergency leave retention authority....... 2508 ------------------------------------------------------------------------ 427 Prohibition of certain involuntary 2509 administrative separations............... ------------------------------------------------------------------------ 428 Sea service letters....................... 2510 ------------------------------------------------------------------------ 430 Investigations of flag officers and Senior 2511 Executive Service employees.............. ------------------------------------------------------------------------ 431 Leave policies for the Coast Guard........ 2512 ------------------------------------------------------------------------ 467 Computation of length of service.......... 2513 ------------------------------------------------------------------------ 432 Personnel of former Lighthouse Service.... 2531 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 25 of title 14, United States Code, is further amended-- (1) by inserting before section 2501 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--GENERAL PROVISIONS''; and (2) by inserting before section 2531 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--LIGHTHOUSE SERVICE''. SEC. 115. PART III. Part III of title 14, United States Code, is amended by striking the part designation, the part heading, and the table of chapters at the beginning. SEC. 116. CHAPTER 27. (a) Initial Matter.--Chapter 27 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 27--PAY, ALLOWANCES, AWARDS, AND OTHER RIGHTS AND BENEFITS ``subchapter i--personnel rights and benefits ``Sec. ``2701. Procurement of personnel. ``2702. Training. ``2703. Contingent expenses. ``2704. Equipment to prevent accidents. ``2705. Clothing at time of discharge for good of service. ``2706. Right to wear uniform. ``2707. Protection of uniform. ``2708. Clothing for officers and enlisted personnel. ``2709. Procurement and sale of stores to members and civilian employees. ``2710. Disposition of effects of decedents. ``2711. Deserters; ***payment*** of expenses incident to apprehension and delivery; penalties. ``2712. ***Payment*** for the apprehension of stragglers. ``subchapter ii--awards ``2731. Delegation of powers to make awards; rules and regulations. ``2732. Medal of honor. ``2733. Medal of honor: duplicate medal. ``2734. Medal of honor: presentation of Medal of Honor Flag. ``2735. Coast Guard cross. ``2736. Distinguished service medal. ``2737. Silver star medal. ``2738. Distinguished flying cross. ``2739. Coast Guard medal. ``2740. Insignia for additional awards. ``2741. Time limit on award; report concerning deed. ``2742. Honorable subsequent service as condition to award. ``2743. Posthumous awards. ``2744. Life-saving medals. ``2745. Replacement of medals. ``2746. Award of other medals. ``2747. Awards and insignia for excellence in service or conduct. ``2748. Presentation of United States flag upon retirement. ``subchapter iii--***payments*** ``2761. Persons discharged as result of court-martial; allowances to. ``2762. Shore patrol duty; ***payment*** of expenses. ``2763. Compensatory absence from duty for military personnel at isolated duty stations. ``2764. Monetary allowance for transportation of household effects. ``2765. Retroactive ***payment*** of pay and allowances delayed by administrative error or oversight. ``2766. Travel card management. ``2767. Reimbursement for medical-related travel expenses for certain persons residing on islands in the continental United States. ``2768. Annual audit of pay and allowances of members undergoing permanent change of station. ``2769. Remission of indebtedness. ``2770. Special instruction at universities. ``2771. Attendance at professional meetings. ``2772. Education loan repayment ***program***. ``2773. Rations or commutation therefor in money. ``2774. Sales of ration supplies to messes. ``2775. Flight rations. ``2776. ***Payments*** at time of discharge for good of service. ``2777. Clothing for destitute shipwrecked persons. ``2778. Advancement of public funds to personnel. ``2779. Transportation to and from certain places of employment.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 27 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 468 Procurement of personnel.................. 2701 ------------------------------------------------------------------------ 469 Training.................................. 2702 ------------------------------------------------------------------------ 476 Contingent expenses....................... 2703 ------------------------------------------------------------------------ 477 Equipment to prevent accidents............ 2704 ------------------------------------------------------------------------ 482 Clothing at time of discharge for good of 2705 service.................................. ------------------------------------------------------------------------ 483 Right to wear uniform..................... 2706 ------------------------------------------------------------------------ 484 Protection of uniform..................... 2707 ------------------------------------------------------------------------ [[Page S6983]] 485 Clothing for officers and enlisted 2708 personnel................................ ------------------------------------------------------------------------ 487 Procurement and sale of stores to members 2709 and civilian employees................... ------------------------------------------------------------------------ 507 Disposition of effects of decedents....... 2710 ------------------------------------------------------------------------ 508 Deserters; ***payment*** of expenses incident to 2711 apprehension and delivery; penalties..... ------------------------------------------------------------------------ 644 ***Payment*** for the apprehension of stragglers 2712 ------------------------------------------------------------------------ 499 Delegation of powers to make awards; rules 2731 and regulations.......................... ------------------------------------------------------------------------ 491 Medal of honor............................ 2732 ------------------------------------------------------------------------ 504 Medal of honor: duplicate medal........... 2733 ------------------------------------------------------------------------ 505 Medal of honor: presentation of Medal of 2734 Honor Flag............................... ------------------------------------------------------------------------ 491a Coast Guard cross......................... 2735 ------------------------------------------------------------------------ 492 Distinguished service medal............... 2736 ------------------------------------------------------------------------ 492a Silver star medal......................... 2737 ------------------------------------------------------------------------ 492b Distinguished flying cross................ 2738 ------------------------------------------------------------------------ 493 Coast Guard medal......................... 2739 ------------------------------------------------------------------------ 494 Insignia for additional awards............ 2740 ------------------------------------------------------------------------ 496 Time limit on award; report concerning 2741 deed..................................... ------------------------------------------------------------------------ 497 Honorable subsequent service as condition 2742 to award................................. ------------------------------------------------------------------------ 498 Posthumous awards......................... 2743 ------------------------------------------------------------------------ 500 Life-saving medals........................ 2744 ------------------------------------------------------------------------ 501 Replacement of medals..................... 2745 ------------------------------------------------------------------------ 502 Award of other medals..................... 2746 ------------------------------------------------------------------------ 503 Awards and insignia for excellence in 2747 service or conduct....................... ------------------------------------------------------------------------ 516 Presentation of United States flag upon 2748 retirement............................... ------------------------------------------------------------------------ 509 Persons discharged as result of court- 2761 martial; allowances to................... ------------------------------------------------------------------------ 510 Shore patrol duty; ***payment*** of expenses.... 2762 ------------------------------------------------------------------------ 511 Compensatory absence from duty for 2763 military personnel at isolated duty stations................................. ------------------------------------------------------------------------ 512 Monetary allowance for transportation of 2764 household effects........................ ------------------------------------------------------------------------ 513 Retroactive ***payment*** of pay and allowances 2765 delayed by administrative error or oversight................................ ------------------------------------------------------------------------ 517 Travel card management.................... 2766 ------------------------------------------------------------------------ 518 Reimbursement for medical-related travel 2767 expenses for certain persons residing on islands in the continental United States. ------------------------------------------------------------------------ 519 Annual audit of pay and allowances of 2768 members undergoing permanent change of station.................................. ------------------------------------------------------------------------ 461 Remission of indebtedness................. 2769 ------------------------------------------------------------------------ 470 Special instruction at universities....... 2770 ------------------------------------------------------------------------ 471 Attendance at professional meetings....... 2771 ------------------------------------------------------------------------ 472 Education loan repayment ***program***.......... 2772 ------------------------------------------------------------------------ 478 Rations or commutation therefor in money.. 2773 ------------------------------------------------------------------------ 479 Sales of ration supplies to messes........ 2774 ------------------------------------------------------------------------ 480 Flight rations............................ 2775 ------------------------------------------------------------------------ 481 ***Payments*** at time of discharge for good of 2776 service.................................. ------------------------------------------------------------------------ 486 Clothing for destitute shipwrecked persons 2777 ------------------------------------------------------------------------ 488 Advancement of public funds to personnel.. 2778 ------------------------------------------------------------------------ 660 Transportation to and from certain places 2779 of employment............................ ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 27 of title 14, United States Code, is further amended-- (1) by inserting before section 2701 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--PERSONNEL RIGHTS AND BENEFITS''; (2) by inserting before section 2731 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--AWARDS''; and (3) by inserting before section 2761 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--***PAYMENTS***''. SEC. 117. CHAPTER 29. (a) Initial Matter.--Chapter 29 of title 14, United States Code, is amended by striking the chapter designation, the chapter heading, and the table of sections at the beginning and inserting the following: ``CHAPTER 29--COAST GUARD FAMILY SUPPORT, CHILD CARE, AND HOUSING ``subchapter i--coast guard families ``Sec. ``2901. Work-life policies and ***programs***. ``2902. Surveys of Coast Guard families. ``2903. Reimbursement for adoption expenses. ``2904. Education and training opportunities for Coast Guard spouses. ``2905. Youth sponsorship initiatives. ``2906. Dependent school children. ``subchapter ii--coast guard child care ``2921. Definitions. ``2922. Child development services. ``2923. Child development center standards and inspections. ``2924. Child development center employees. ``2925. Parent partnerships with child development centers. ``subchapter iii--housing ``2941. Definitions. ``2942. General authority. ``2943. Leasing and hiring of quarters; rental of inadequate housing. ``2944. Retired service members and dependents serving on advisory committees. ``2945. Conveyance of real property. ``2946. Coast Guard Housing Fund. ``2947. Reports.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 29 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 531 Work-life policies and ***programs***........... 2901 ------------------------------------------------------------------------ 532 Surveys of Coast Guard families........... 2902 ------------------------------------------------------------------------ 541 Reimbursement for adoption expenses....... 2903 ------------------------------------------------------------------------ [[Page S6984]] 542 Education and training opportunities for 2904 Coast Guard spouses...................... ------------------------------------------------------------------------ 543 Youth sponsorship initiatives............. 2905 ------------------------------------------------------------------------ 544 Dependent school children................. 2906 ------------------------------------------------------------------------ 551 Definitions............................... 2921 ------------------------------------------------------------------------ 552 Child development services................ 2922 ------------------------------------------------------------------------ 553 Child development center standards and 2923 inspections.............................. ------------------------------------------------------------------------ 554 Child development center employees........ 2924 ------------------------------------------------------------------------ 555 Parent partnerships with child development 2925 centers.................................. ------------------------------------------------------------------------ 680 Definitions............................... 2941 ------------------------------------------------------------------------ 681 General authority......................... 2942 ------------------------------------------------------------------------ 475 Leasing and hiring of quarters; rental of 2943 inadequate housing....................... ------------------------------------------------------------------------ 680 Retired service members and dependents 2944 serving on advisory committees........... ------------------------------------------------------------------------ 685 Conveyance of real property............... 2945 ------------------------------------------------------------------------ 687 Coast Guard Housing Fund.................. 2946 ------------------------------------------------------------------------ 688 Reports................................... 2947 ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 29 of title 14, United States Code, is further amended-- (1) by inserting before section 2901 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--COAST GUARD FAMILIES''; (2) by inserting before section 2921 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--COAST GUARD CHILD CARE''; and (3) by inserting before section 2941 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER III--HOUSING''. SEC. 118. SUBTITLE III AND CHAPTER 37. (a) Initial Matter.--Title 14, United States Code, is further amended by adding after chapter 29 (as amended by section 117) the following: ``Subtitle III--Coast Guard Reserve and Auxiliary ``Chap. Sec. ``37. Coast Guard Reserve......................................3701 ... ``39. Coast Guard Auxiliary....................................3901 ... ``41. General Provisions for Coast Guard Reserve and Auxiliary.4101 ... ``CHAPTER 1--COAST GUARD RESERVE ``subchapter i--administration ``Sec. ``3701. Organization. ``3702. Authorized strength. ``3703. Coast Guard Reserve Boards. ``3704. Grades and ratings; military authority. ``3705. Benefits. ``3706. Temporary members of the Reserve; eligibility and compensation. ``3707. Temporary members of the Reserve; disability or death benefits. ``3708. Temporary members of the Reserve; certificate of honorable service. ``3709. Reserve student aviation pilots; Reserve aviation pilots; appointments in commissioned grade. ``3710. Reserve student pre-commissioning assistance ***program***. ``3711. Appointment or wartime promotion; retention of grade upon release from active duty. ``3712. Exclusiveness of service. ``3713. Active duty for emergency augmentation of regular forces. ``3714. Enlistment of members engaged in schooling. ``subchapter ii--personnel ``3731. Definitions. ``3732. Applicability of this subchapter. ``3733. Suspension of this subchapter in time of war or national emergency. ``3734. Effect of this subchapter on retirement and retired pay. ``3735. Authorized number of officers. ``3736. Precedence. ``3737. Running mates. ``3738. Constructive credit upon initial appointment. ``3739. Promotion of Reserve officers on active duty. ``3740. Promotion; recommendations of selection boards. ``3741. Selection boards; appointment. ``3742. Establishment of promotion zones under running mate system. ``3743. Eligibility for promotion. ``3744. Recommendation for promotion of an officer previously removed from an active status. ``3745. Qualifications for promotion. ``3746. Promotion; acceptance; oath of office. ``3747. Date of rank upon promotion; entitlement to pay. ``3748. Type of promotion; temporary. ``3749. Effect of removal by the President or failure of consent of the Senate. ``3750. Failure of selection for promotion. ``3751. Failure of selection and removal from an active status. ``3752. Retention boards; removal from an active status to provide a flow of promotion. ``3753. Maximum ages for retention in an active status. ``3754. Rear admiral and rear admiral (lower half); maximum service in grade. ``3755. Appointment of a former Navy or Coast Guard officer. ``3756. Grade on entry upon active duty. ``3757. Recall of a retired officer; grade upon release.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 37 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 701 Organization.............................. 3701 ------------------------------------------------------------------------ 702 Authorized strength....................... 3702 ------------------------------------------------------------------------ 703 Coast Guard Reserve Boards................ 3703 ------------------------------------------------------------------------ 704 Grades and ratings; military authority.... 3704 ------------------------------------------------------------------------ 705 Benefits.................................. 3705 ------------------------------------------------------------------------ 706 Temporary members of the Reserve; 3706 eligibility and compensation............. ------------------------------------------------------------------------ 707 Temporary members of the Reserve; 3707 disability or death benefits............. ------------------------------------------------------------------------ 708 Temporary members of the Reserve; 3708 certificate of honorable service......... ------------------------------------------------------------------------ 709 Reserve student aviation pilots; Reserve 3709 aviation pilots; appointments in commissioned grade....................... ------------------------------------------------------------------------ 709a Reserve student pre-commissioning 3710 assistance ***program***....................... ------------------------------------------------------------------------ 710 Appointment or wartime promotion; 3711 retention of grade upon release from active duty.............................. ------------------------------------------------------------------------ 711 Exclusiveness of service.................. 3712 ------------------------------------------------------------------------ 712 Active duty for emergency augmentation of 3713 regular forces........................... ------------------------------------------------------------------------ 713 Enlistment of members engaged in schooling 3714 ------------------------------------------------------------------------ 720 Definitions............................... 3731 ------------------------------------------------------------------------ 721 Applicability of this subchapter.......... 3732 ------------------------------------------------------------------------ 722 Suspension of this subchapter in time of 3733 war or national emergency................ ------------------------------------------------------------------------ 723 Effect of this subchapter on retirement 3734 and retired pay.......................... ------------------------------------------------------------------------ 724 Authorized number of officers............. 3735 ------------------------------------------------------------------------ 725 Precedence................................ 3736 ------------------------------------------------------------------------ 726 Running mates............................. 3737 ------------------------------------------------------------------------ [[Page S6985]] 727 Constructive credit upon initial 3738 appointment.............................. ------------------------------------------------------------------------ 728 Promotion of Reserve officers on active 3739 duty..................................... ------------------------------------------------------------------------ 729 Promotion; recommendations of selection 3740 boards................................... ------------------------------------------------------------------------ 730 Selection boards; appointment............. 3741 ------------------------------------------------------------------------ 731 Establishment of promotion zones under 3742 running mate system...................... ------------------------------------------------------------------------ 732 Eligibility for promotion................. 3743 ------------------------------------------------------------------------ 733 Recommendation for promotion of an officer 3744 previously removed from an active status. ------------------------------------------------------------------------ 734 Qualifications for promotion.............. 3745 ------------------------------------------------------------------------ 735 Promotion; acceptance; oath of office..... 3746 ------------------------------------------------------------------------ 736 Date of rank upon promotion; entitlement 3747 to pay................................... ------------------------------------------------------------------------ 737 Type of promotion; temporary.............. 3748 ------------------------------------------------------------------------ 738 Effect of removal by the President or 3749 failure of consent of the Senate......... ------------------------------------------------------------------------ 739 Failure of selection for promotion........ 3750 ------------------------------------------------------------------------ 740 Failure of selection and removal from an 3751 active status............................ ------------------------------------------------------------------------ 741 Retention boards; removal from an active 3752 status to provide a flow of promotion.... ------------------------------------------------------------------------ 742 Maximum ages for retention in an active 3753 status................................... ------------------------------------------------------------------------ 743 Rear admiral and rear admiral (lower 3754 half); maximum service in grade.......... ------------------------------------------------------------------------ 744 Appointment of a former Navy or Coast 3755 Guard officer............................ ------------------------------------------------------------------------ 745 Grade on entry upon active duty........... 3756 ------------------------------------------------------------------------ 746 Recall of a retired officer; grade upon 3757 release.................................. ------------------------------------------------------------------------ (c) Additional Changes.--Chapter 37 of title 14, United States Code, is further amended-- (1) by inserting before section 3701 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER I--ADMINISTRATION''; and (2) by inserting before section 3731 (as so redesignated and ***transferred*** under subsection (b)) the following: ``SUBCHAPTER II--PERSONNEL''. SEC. 119. CHAPTER 39. (a) Initial Matter.--Title 14, United States Code, is further amended by adding after chapter 37 (as added by section 118) the following: ``CHAPTER 39--COAST GUARD AUXILIARY ``Sec. ``3901. Administration of the Coast Guard Auxiliary. ``3902. Purpose of the Coast Guard Auxiliary. ``3903. Eligibility; enrollments. ``3904. Members of the Auxiliary; status. ``3905. Disenrollment. ``3906. Membership in other organizations. ``3907. Use of member's facilities. ``3908. Vessel deemed public vessel. ``3909. Aircraft deemed public aircraft. ``3910. Radio station deemed government station. ``3911. Availability of appropriations. ``3912. Assignment and performance of duties. ``3913. Injury or death in line of duty.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 39 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 821 Administration of the Coast Guard 3901 Auxiliary................................ ------------------------------------------------------------------------ 822 Purpose of the Coast Guard Auxiliary...... 3902 ------------------------------------------------------------------------ 823 Eligibility; enrollments.................. 3903 ------------------------------------------------------------------------ 823a Members of the Auxiliary; status.......... 3904 ------------------------------------------------------------------------ 824 Disenrollment............................. 3905 ------------------------------------------------------------------------ 825 Membership in other organizations......... 3906 ------------------------------------------------------------------------ 826 Use of member's facilities................ 3907 ------------------------------------------------------------------------ 827 Vessel deemed public vessel............... 3908 ------------------------------------------------------------------------ 828 Aircraft deemed public aircraft........... 3909 ------------------------------------------------------------------------ 829 Radio station deemed government station... 3910 ------------------------------------------------------------------------ 830 Availability of appropriations............ 3911 ------------------------------------------------------------------------ 831 Assignment and performance of duties...... 3912 ------------------------------------------------------------------------ 832 Injury or death in line of duty........... 3913 ------------------------------------------------------------------------ SEC. 120. CHAPTER 41. (a) Initial Matter.--Title 14, United States Code, is further amended by adding after chapter 39 (as added by section 119) the following: ``CHAPTER 41--GENERAL PROVISIONS FOR COAST GUARD RESERVE AND AUXILIARY ``Sec. ``4101. Flags; pennants; uniforms and insignia. ``4102. Penalty. ``4103. Limitation on rights of members of the Auxiliary and temporary members of the Reserve. ``4104. Availability of facilities and appropriations.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 41 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 891 Flags; pennants; uniforms and insignia.... 4101 ------------------------------------------------------------------------ 892 Penalty................................... 4102 ------------------------------------------------------------------------ 893 Limitation on rights of members of the 4103 Auxiliary and temporary members of the Reserve.................................. ------------------------------------------------------------------------ 894 Availability of facilities and 4104 appropriations........................... ------------------------------------------------------------------------ SEC. 121. SUBTITLE IV AND CHAPTER 49. (a) Initial Matter.--Title 14, United States Code, is further amended by adding after chapter 41 (as added by section 120) the following: ``Subtitle IV--Coast Guard Authorizations and Reports to Congress ``Chap. Sec. ``49. Authorizations...........................................4901 ... ``51. Reports..................................................5101 ... ``CHAPTER 49--AUTHORIZATIONS ``Sec. ``4901. Requirement for prior authorization of appropriations. ``4902. Authorization of appropriations. [[Page S6986]] ``4903. Authorization of personnel end strengths. ``4904. Authorized levels of military strength and training.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 49 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 2701 Requirement for prior authorization of 4901 appropriations........................... ------------------------------------------------------------------------ 2702 Authorization of appropriations........... 4902 ------------------------------------------------------------------------ 2703 Authorization of personnel end strengths.. 4903 ------------------------------------------------------------------------ 2704 Authorized levels of military strength and 4904 training................................. ------------------------------------------------------------------------ SEC. 122. CHAPTER 51. (a) Initial Matter.--Title 14, United States Code, is further amended by adding after chapter 49 (as added by section 121) the following: ``CHAPTER 51--REPORTS ``Sec. ``5101. Transmission of annual Coast Guard authorization request. ``5102. Capital investment plan. ``5103. Major acquisitions. ``5104. Manpower requirements plan. ``5105. Inventory of real property. ``5106. Annual performance report. ``5107. Major acquisition risk assessment.''. (b) Redesignations and ***Transfers***.-- (1) Requirement.--The sections of title 14, United States Code, identified in the table provided in paragraph (2) are amended-- (A) by redesignating the sections as described in the table; and (B) by ***transferring*** the sections, as necessary, so that the sections appear after the table of sections for chapter 51 of such title (as added by subsection (a)), in the order in which the sections are presented in the table. (2) Table.--The table referred to in paragraph (1) is the following: ------------------------------------------------------------------------ Title 14 Title 14 section Section heading (provided for section number before identification purposes only-not amended) number after redesignation redesignation ------------------------------------------------------------------------ 2901 Transmission of annual Coast Guard 5101 authorization request.................... ------------------------------------------------------------------------ 2902 Capital investment plan................... 5102 ------------------------------------------------------------------------ 2903 Major acquisitions........................ 5103 ------------------------------------------------------------------------ 2904 Manpower requirements plan................ 5104 ------------------------------------------------------------------------ 679 Inventory of real property................ 5105 ------------------------------------------------------------------------ 2905 Annual performance report................. 5106 ------------------------------------------------------------------------ 2906 Major acquisition risk assessment......... 5107 ------------------------------------------------------------------------ SEC. 123. REFERENCES. (a) Definitions.--In this section, the following definitions apply: (1) Redesignated section.--The term ``redesignated section'' means a section of title 14, United States Code, that is redesignated by this title, as that section is so redesignated. (2) Source section.--The term ``source section'' means a section of title 14, United States Code, that is redesignated by this title, as that section was in effect before the redesignation. (b) Reference to Source Section.-- (1) Treatment of reference.--A reference to a source section, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding redesignated section. (2) Title 14.--In title 14, United States Code, each reference in the text of such title to a source section is amended by striking such reference and inserting a reference to the appropriate, as determined using the tables located in this title, redesignated section. (c) Other Conforming Amendments.-- (1) Reference to section 182.--Section 1923(c) of title 14, United States Code, as so redesignated by this title, is further amended by striking ``section 182'' and inserting ``section 1922''. (2) References to chapter 11.--Title 14, United States Code, is further amended-- (A) in section 2146(d), as so redesignated by this title, by striking ``chapter 11 of this title'' and inserting ``this chapter''; and (B) in section 3739, as so redesignated by this title, by striking ``chapter 11'' each place that it appears and inserting ``chapter 21''. (3) Reference to chapter 13.--Section 3705(b) of title 14, United States Code, as so redesignated by this title, is further amended by striking ``chapter 13'' and inserting ``chapter 27''. (4) Reference to chapter 15.--Section 308(b)(3) of title 14, United States Code, as so redesignated by this title, is further amended by striking ``chapter 15'' and inserting ``chapter 11''. (5) References to chapter 19.--Title 14, United States Code, is further amended-- (A) in section 4901(4), as so redesignated by this title, by striking ``chapter 19'' and inserting ``section 318''; and (B) in section 4902(4), as so redesignated by this title, by striking ``chapter 19'' and inserting ``section 318''. (6) Reference to chapter 23.--Section 701(a) of title 14, United States Code, as so redesignated by this title, is further amended by striking ``chapter 23'' and inserting ``chapter 39''. SEC. 124. RULE OF CONSTRUCTION. This title, including the amendments made by this title, is intended only to reorganize title 14, United States Code, and may not be construed to alter-- (1) the effect of a provision of title 14, United States Code, including any authority or requirement therein; (2) a department or agency interpretation with respect to title 14, United States Code; or (3) a judicial interpretation with respect to title 14, United States Code. TITLE II--AUTHORIZATIONS SEC. 201. AMENDMENTS TO TITLE 14, UNITED STATES CODE, AS AMENDED BY TITLE I OF THIS ACT. Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision of title 14, United States Code, the reference shall be considered to be made to title 14, United States Code, as amended by title I of this Act. SEC. 202. AUTHORIZATIONS OF APPROPRIATIONS. (a) In General.--Section 4902 of title 14, United States Code, is amended to read as follows: ``Sec. 4902. Authorizations of appropriations ``(a) Fiscal ***Year*** 2018.--Funds are authorized to be appropriated for fiscal ***year*** 2018 for necessary expenses of the Coast Guard as follows: ``(1) For the operation and maintenance of the Coast Guard, not otherwise provided for, $7,210,313,000 for fiscal ***year*** 2018. ``(2) For the acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, aircraft, and systems, including equipment related thereto, and for maintenance, rehabilitation, lease, and operation of facilities and equipment, $2,694,745,000 for fiscal ***year*** 2018. ``(3) For the Coast Guard Reserve ***program***, including operations and maintenance of the ***program***, personnel and training costs, equipment, and services, $114,875,000 for fiscal ***year*** 2018. ``(4) For the environmental compliance and restoration functions of the Coast Guard under chapter 3 of this title, $13,397,000 for fiscal ***year*** 2018. ``(5) To the Commandant for research, development, test, and evaluation of technologies, materials, and human factors directly related to improving the performance of the Coast Guard's mission with respect to search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness, and for maintenance, rehabilitation, lease, and operation of facilities and equipment, $29,141,000 for fiscal ***year*** 2018. ``(b) Fiscal ***Year*** 2019.--Funds are authorized to be appropriated for fiscal ***year*** 2019 for necessary expenses of the Coast Guard as follows: ``(1)(A) For the operation and maintenance of the Coast Guard, not otherwise provided for, $7,914,195,000 for fiscal ***year*** 2019. ``(B) Of the amount authorized under subparagraph (A)-- ``(i) $16,701,000 shall be for environmental compliance and restoration; and ``(ii) $199,360,000 shall be for the Coast Guard's Medicare-eligible retiree health care fund contribution to the Department of Defense. ``(2) For the procurement, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, aircraft, and systems, including equipment related thereto, and for maintenance, rehabilitation, lease, and operation of facilities and equipment, $2,694,745,000 for fiscal ***year*** 2019. ``(3) To the Commandant for research, development, test, and evaluation of technologies, materials, and human factors directly related to improving the performance [[Page S6987]] of the Coast Guard's mission with respect to search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness, and for maintenance, rehabilitation, lease, and operation of facilities and equipment, $29,141,000 for fiscal ***year*** 2019.''. (b) Repeal.--On October 1, 2018-- (1) section 4902(a) of title 14, United States Code, as amended by subsection (a), shall be repealed; and (2) subsection 4902(b) of title 14, United States Code, as amended by subsection (a), shall be amended by striking ``(b) Fiscal ***Year*** 2019.--''. SEC. 203. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING. Section 4904 of title 14, United States Code, is amended-- (1) in subsection (a), by striking ``for each of fiscal ***years*** 2016 and 2017'' and inserting ``for fiscal ***year*** 2018 and 44,500 for fiscal ***year*** 2019''; and (2) in subsection (b), by striking ``fiscal ***years*** 2016 and 2017'' and inserting ``fiscal ***years*** 2018 and 2019''. SEC. 204. AUTHORIZATION OF AMOUNTS FOR FAST RESPONSE CUTTERS. (a) In General.--Of the amounts authorized under section 4902 of title 14, United States Code, as amended by this Act, for each of fiscal ***years*** 2018 and 2019 up to $167,500,000 is authorized for the acquisition of 3 Fast Response Cutters. (b) Treatment of Acquired Cutters.--Any cutters acquired pursuant to subsection (a) shall be in addition to the 58 cutters approved under the existing acquisition baseline. SEC. 205. AUTHORIZATION OF AMOUNTS FOR SHORESIDE INFRASTRUCTURE. Of the amounts authorized under section 4902 of title 14, United States Code, as amended by this Act, for each of fiscal ***years*** 2018 and 2019 up to $167,500,000 is authorized for the Secretary of the department in which the Coast Guard is operating to fund the acquisition, construction, rebuilding, or improvement of Coast Guard shoreside infrastructure and facilities necessary to support Coast Guard operations and readiness. SEC. 206. AUTHORIZATION OF AMOUNTS FOR AIRCRAFT IMPROVEMENTS. Of the amounts authorized under section 4902 of title 14, United States Code, as amended by this Act, for each of fiscal ***years*** 2018 and 2019 up to $3,500,000 is authorized for the Secretary of the department in which the Coast Guard is operating to fund analysis and ***program*** development for improvements to or the replacement of rotary-wing aircraft. TITLE III--COAST GUARD SEC. 301. AMENDMENTS TO TITLE 14, UNITED STATES CODE, AS AMENDED BY TITLE I OF THIS ACT. Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision of title 14, United States Code, the reference shall be considered to be made to title 14, United States Code, as amended by title I of this Act. SEC. 302. PRIMARY DUTIES. Section 102(7) of title 14, United States Code, is amended to read as follows: ``(7) maintain a state of readiness to assist in the defense of the United States, including when functioning as a specialized service in the Navy pursuant to section 103.''. SEC. 303. NATIONAL COAST GUARD MUSEUM. Section 316 of title 14, United States Code, is amended to read as follows: ``Sec. 316. National Coast Guard Museum ``(a) Establishment.--The Commandant may establish a National Coast Guard Museum, on lands which will be federally owned and administered by the Coast Guard, and are located in New London, Connecticut, at, or in close proximity to, the Coast Guard Academy. ``(b) Limitation on Expenditures.-- ``(1) The Secretary shall not expend any funds appropriated to the Coast Guard on the construction of any museum established under this section. ``(2) The Secretary shall fund the National Coast Guard Museum with nonappropriated and non-Federal funds to the maximum extent practicable. The priority use of Federal funds should be to preserve and protect historic Coast Guard artifacts, including the design, fabrication, and installation of exhibits or displays in which such artifacts are included. ``(3) The Secretary may expend funds appropriated to the Coast Guard on the engineering and design of a National Coast Guard Museum. ``(c) Funding Plan.--Before the date on which the Commandant establishes a National Coast Guard Museum under subsection (a), the Commandant shall provide to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a plan for constructing, operating, and maintaining such a museum, including-- ``(1) estimated planning, engineering, design, construction, operation, and maintenance costs; ``(2) the extent to which appropriated, nonappropriated, and non-Federal funds will be used for such purposes, including the extent to which there is any shortfall in funding for engineering, design, or construction; and ``(3) a certification by the Inspector General of the department in which the Coast Guard is operating that the estimates provided pursuant to paragraphs (1) and (2) are reasonable and realistic. ``(d) Authority.--The Commandant may not establish a National Coast Guard museum except as set forth in this section.''. SEC. 304. UNMANNED AIRCRAFT. (a) Land-based Unmanned Aircraft System ***Program***.--Chapter 3 of title 14, United States Code, is amended by adding at the end the following: ``Sec. 319. Land-based unmanned aircraft system ***program*** ``(a) In General.--Subject to the availability of appropriations, the Secretary shall establish a land-based unmanned aircraft system ***program*** under the control of the Commandant. ``(b) Unmanned Aircraft System Defined.--In this section, the term `unmanned aircraft system' has the meaning given that term in section 331 of the FAA Modernization and Reform Act of 2012 (49 U.S.C 40101 note).''. (b) Limitation on Unmanned Aircraft Systems.--Chapter 11 of title 14, United States Code, is amended by inserting after section 1155 the following: ``Sec. 1156. Limitation on unmanned aircraft systems ``(a) In General.--During any fiscal ***year*** for which funds are appropriated for the design or construction of an Offshore Patrol Cutter, the Commandant-- ``(1) may not award a contract for design of an unmanned aircraft system for use by the Coast Guard; and ``(2) may lease, acquire, or acquire the services of an unmanned aircraft system only if such system-- ``(A) has been part of a ***program*** of record of, procured by, or used by a Federal entity (or funds for research, development, test, and evaluation have been received from a Federal entity with regard to such system) before the date on which the Commandant leases, acquires, or acquires the services of the system; and ``(B) is leased, acquired, or utilized by the Commandant through an agreement with a Federal entity, unless such an agreement is not practicable or would be less cost-effective than an independent contract action by the Coast Guard. ``(b) Small Unmanned Aircraft Exemption.--Subsection (a)(2) does not apply to small unmanned aircraft. ``(c) Definitions.--In this section, the terms `small unmanned aircraft' and `unmanned aircraft system' have the meanings given those terms in section 331 of the FAA Modernization and Reform Act of 2012 (49 U.S.C 40101 note).''. (c) Clerical Amendments.-- (1) Chapter 3.--The analysis for chapter 3 of title 14, United States Code, is amended by adding at the end the following: ``319. Land-based unmanned aircraft system ***program***.''. (2) Chapter 11.--The analysis for chapter 11 of title 14, United States Code, is amended by inserting after the item relating to section 1155 the following: ``1156. Limitation on unmanned aircraft systems.''. (d) Conforming Amendment.--Subsection (c) of section 1105 of title 14, United States Code, is repealed. SEC. 305. COAST GUARD HEALTH-CARE PROFESSIONALS; LICENSURE PORTABILITY. (a) In General.--Chapter 5 of title 14, United States Code, is amended by inserting after section 507 the following: ``Sec. 508. Coast Guard health-care professionals; licensure portability ``(a) In General.--Notwithstanding any other provision of law regarding the licensure of health-care providers, a health-care professional described in subsection (b) may practice the health profession or professions of the health- care professional at any location in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, regardless of where such health-care professional or the patient is located, if the practice is within the scope of the authorized Federal duties of such health-care professional. ``(b) Described Individuals.--A health-care professional described in this subsection is an individual-- ``(1) who is-- ``(A) a member of the Coast Guard; ``(B) a civilian employee of the Coast Guard; ``(C) a member of the Public Health Service who is assigned to the Coast Guard; or ``(D) any other health-care professional credentialed and privileged at a Federal health-care institution or location specially designated by the Secretary; and ``(2) who-- ``(A) has a current license to practice medicine, osteopathic medicine, dentistry, or another health profession; and ``(B) is performing authorized duties for the Coast Guard. ``(c) Definitions.--In this section, the terms `license' and `health-care professional' have the meanings given those terms in section 1094(e) of title 10.''. (b) Clerical Amendment.--The analysis for chapter 5 of title 14, United States Code, is amended by inserting after the item relating to section 507 the following: ``508. Coast Guard health-care professionals; licensure portability.''. (c) Electronic Health Records.-- (1) System.--The Commandant of the Coast Guard is authorized to procure for the [[Page S6988]] Coast Guard an electronic health record system that-- (A) has been competitively awarded by the Department of Defense; and (B) ensures full integration with the Department of Defense electronic health record systems. (2) Support services.-- (A) In general.--The Commandant is authorized to procure support services for the electronic health record system procured under paragraph (1) necessary to ensure full integration with the Department of Defense electronic health record systems. (B) Scope.--Support services procured pursuant to this paragraph may include services for the following: (i) System integration support. (ii) Hosting support. (iii) Training, testing, technical, and data migration support. (iv) Hardware support. (v) Any other support the Commandant considers appropriate. (3) Authorized procurement actions.--The Commandant is authorized to procure an electronic health record system under this subsection through the following: (A) A task order under the Department of Defense electronic health record contract. (B) A sole source contract award. (C) An agreement made pursuant to sections 1535 and 1536 of title 31, United States Code. (D) A contract or other procurement vehicle otherwise authorized. (4) Competition in contracting; exemption.--Procurement of an electronic health record system and support services pursuant to this subsection shall be exempt from the competition requirements of section 2304 of title 10, United States Code. SEC. 306. TRAINING; EMERGENCY RESPONSE PROVIDERS. (a) In General.--Chapter 7 of title 14, United States Code, is amended by adding at the end the following: ``Sec. 718. Training; emergency response providers ``(a) In General.--The Commandant may, on a reimbursable or a non-reimbursable basis, make a training available to emergency response providers whenever the Commandant determines that-- ``(1) a member of the Coast Guard, who is scheduled to participate in such training, is unable or unavailable to participate in such training; ``(2) no other member of the Coast Guard, who is assigned to the unit to which the member of the Coast Guard who is unable or unavailable to participate in such training is assigned, is able or available to participate in such training; and ``(3) such training, if made available to such emergency response providers, would further the goal of interoperability among Federal agencies, non-Federal governmental agencies, or both. ``(b) Emergency Response Providers Defined.--In this section, the term `emergency response providers' has the meaning given that term in section 2 of the Homeland Security Act of 2002 (6 U.S.C 101). ``(c) Treatment of Reimbursement.--Any reimbursements for a training that the Coast Guard receives under this section shall be credited to the appropriation used to pay the costs for such training. ``(d) Status; Limitation on Liability.-- ``(1) Status.--Any individual to whom, as an emergency response provider, training is made available under this section, who is not otherwise a Federal employee, shall not, because of that training, be considered a Federal employee for any purpose (including the purposes of chapter 81 of title 5 (relating to compensation for injury) and sections 2671 through 2680 of title 28 (relating to tort claims)). ``(2) Limitation on liability.--The United States shall not be liable for actions taken by an individual in the course of training made available under this section.''. (b) Clerical Amendment.--The analysis for chapter 7 of title 14, United States Code, is amended by adding at the end the following: ``718. Training; emergency response providers.''. SEC. 307. INCENTIVE CONTRACTS FOR COAST GUARD YARD AND INDUSTRIAL ESTABLISHMENTS. Section 939 of title 14, United States Code, is amended-- (1) by inserting before ``The Secretary may'' the following: ``(a) In General.--''; (2) in subsection (a), as so designated by paragraph (1) of this section, by striking the period at the end of the last sentence and inserting ``or in accordance with subsection (b).''; and (3) by adding at the end the following: ``(b) Incentive Contracts.-- ``(1) The parties to an order for industrial work to be performed by the Coast Guard Yard or a Coast Guard industrial establishment designated under subsection (a) may enter into an order or a cost-plus-incentive-fee order in accordance with this subsection. ``(2) If such parties enter into such an order or a cost- plus-incentive-fee order, an agreed-upon amount of any adjustment described in subsection (a) may be distributed as an incentive to the wage-grade industrial employees who complete the order. ``(3) Before entering into such an order or cost-plus- incentive-fee order such parties must agree that the wage- grade employees of the Coast Guard Yard or Coast Guard industrial establishment will take action to improve the delivery schedule or technical performance agreed to in the order for industrial work to which such parties initially agreed. ``(4) Notwithstanding any other provision of law, if the industrial workforce of the Coast Guard Yard or Coast Guard industrial establishment satisfies the performance target established in such an order or cost-plus-incentive-fee order-- ``(A) the adjustment to be made pursuant to subsection (a) shall be reduced by an agreed-upon amount and distributed to such wage-grade industrial employees; and ``(B) the remainder of the adjustment shall be credited to the appropriation for such order current at that time.''. SEC. 308. CONFIDENTIAL INVESTIGATIVE EXPENSES. Section 944 of title 14, United States Code, is amended by striking ``$45,000'' and inserting ``$250,000''. SEC. 309. REGULAR CAPTAINS; RETIREMENT. Section 2149(a) of title 14, United States Code, is amended-- (1) by striking ``zone is'' and inserting ``zone, or from being placed at the top of the list of selectees promulgated by the Secretary under section 2121(a) of this title, is''; and (2) by striking the period at the end and inserting ``or placed at the top of the list of selectees, as applicable.''. SEC. 310. CONVERSION, ALTERATION, AND REPAIR PROJECTS. (a) In General.--Chapter 9 of title 14, United States Code, as amended by this Act, is further amended by inserting after section 951 the following: ``Sec. 952. Construction of Coast Guard vessels and assignment of vessel projects ``The assignment of Coast Guard vessel conversion, alteration, and repair projects shall be based on economic and military considerations and may not be restricted by a requirement that certain parts of Coast Guard shipwork be assigned to a particular type of shipyard or geographical area or by a similar requirement.''. (b) Clerical Amendment.--The analysis for chapter 9 of title 14, United States Code, is amended by inserting after the item relating to section 951 the following: ``952. Construction of Coast Guard vessels and assignment of vessel projects.''. SEC. 311. CONTRACTING FOR MAJOR ACQUISITIONS ***PROGRAMS***. (a) General Acquisition Authority.--Section 501(d) of title 14, United States Code, is amended by inserting ``aircraft, and systems,'' after ``vessels,''. (b) Contracting Authority.--Chapter 11 of title 14, United States Code, as amended by this Act, is further amended by inserting after section 1136 the following: ``Sec. 1137. Contracting for major acquisitions ***programs*** ``(a) In General.--In carrying out authorities provided to the Secretary to design, construct, accept, or otherwise acquire assets and systems under section 501(d), the Secretary, acting through the Commandant or the head of an integrated ***program*** office established for a major acquisition ***program***, may enter into contracts for a major acquisition ***program***. ``(b) Authorized Methods.--Contracts entered into under subsection (a)-- ``(1) may be block buy contracts; ``(2) may be incrementally funded; ``(3) may include combined purchases, also known as economic order quantity purchases, of-- ``(A) materials and components; and ``(B) long lead time materials; and ``(4) as provided in section 2306b of title 10, may be multiyear contracts. ``(c) Subject to Appropriations.--Any contract entered into under subsection (a) shall provide that any obligation of the United States to make a ***payment*** under the contract is subject to the availability of amounts specifically provided in advance for that purpose in subsequent appropriations Acts.''. (c) Clerical Amendment.--The analysis for chapter 11 of title 14, United States Code, as amended by this Act, is further amended by inserting after the item relating to section 1136 the following: ``1137. Contracting for major acquisitions ***programs***.''. (d) Conforming Amendments.--The following provisions are repealed: (1) Section 223 of the Howard Coble Coast Guard and Maritime Transportation Act of 2014 (14 U.S.C 1152 note), and the item relating to that section in the table of contents in section 2 of such Act. (2) Section 221(a) of the Coast Guard and Maritime Transportation Act of 2012 (14 U.S.C 1133 note). (3) Section 207(a) of the Coast Guard Authorization Act of 2016 (14 U.S.C 561 note). (e) Internal Regulations and Policy.--Not later than 180 days after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall establish the internal regulations and policies necessary to exercise the authorities provided under this section, including the amendments made in this section. (f) Multiyear Contracts.--The Secretary of the department in which the Coast Guard is operating is authorized to enter into a multiyear contract for the procurement of a tenth, eleventh, and twelfth National Security Cutter and associated government-furnished equipment. [[Page S6989]] SEC. 312. OFFICER PROMOTION ZONES. Section 2111(a) of title 14, United States Code, is amended by striking ``six-tenths.'' and inserting ``one-half.''. SEC. 313. CROSS REFERENCE. Section 2129(a) of title 14, United States Code, is amended by inserting ``designated under section 2317'' after ``cadet''. SEC. 314. COMMISSIONED SERVICE RETIREMENT. For Coast Guard officers who retire in fiscal ***year*** 2018 or 2019, the President may reduce the period of active commissioned service required under section 2152 of title 14, United States Code, to a period of not less than 8 ***years***. SEC. 315. LEAVE FOR BIRTH OR ADOPTION OF CHILD. (a) Policy.--Section 2512 of title 14, United States Code, is amended-- (1) by striking ``Not later than 1 ***year***'' and inserting the following: ``(a) In General.--Except as provided in subsection (b), not later than 1 ***year***''; and (2) by adding at the end the following: ``(b) Leave Associated With Birth or Adoption of Child.-- Notwithstanding subsection (a), sections 701 and 704 of title 10, or any other provision of law, all officers and enlisted members of the Coast Guard shall be authorized leave associated with the birth or adoption of a child during the 1-***year*** period immediately following such birth or adoption and, at the discretion of the Commanding Officer, such officer or enlisted member shall be permitted-- ``(1) to take such leave in increments; and ``(2) to use flexible work schedules (pursuant to a ***program*** established by the Secretary in accordance with chapter 61 of title 5).''. (b) Flexible Work Schedules.--Not later than 180 days after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall ensure that a flexible work schedule ***program*** under chapter 61 of title 5, United States Code, is in place for officers and enlisted members of the Coast Guard. SEC. 316. CLOTHING AT TIME OF DISCHARGE. Section 2705 of title 14, United States Code, and the item relating to that section in the analysis for chapter 27 of that title, are repealed. SEC. 317. UNFUNDED PRIORITIES LIST. (a) In General.--Section 5102 of title 14, United States Code, is amended-- (1) by striking subsection (a) and inserting the following: ``(a) In General.--Not later than 60 days after the date on which the President submits to Congress a budget pursuant to section 1105 of title 31, the Commandant shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a capital investment plan for the Coast Guard that identifies for each capital asset for which appropriations are proposed in that budget-- ``(1) the proposed appropriations included in the budget; ``(2) the total estimated cost of completion based on the proposed appropriations included in the budget; ``(3) projected funding levels for each fiscal ***year*** for the next 5 fiscal ***years*** or until project completion, whichever is earlier; ``(4) an estimated completion date based on the proposed appropriations included in the budget; ``(5) an acquisition ***program*** baseline, as applicable; and ``(6) projected commissioning and decommissioning dates for each asset.''; and (2) by striking subsection (c) and inserting the following: ``(c) Definitions.--In this section, the term `new capital asset' means-- ``(1) an acquisition ***program*** that does not have an approved acquisition ***program*** baseline; or ``(2) the acquisition of a capital asset in excess of the number included in the approved acquisition ***program*** baseline.''. (b) Unfunded Priorities.--Chapter 51 of title 14, United States Code, is amended by adding at the end the following: ``Sec. 5108. Unfunded priorities list ``(a) In General.--Not later than 60 days after the date on which the President submits to Congress a budget pursuant to section 1105 of title 31, the Commandant shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a list of each unfunded priority for the Coast Guard. ``(b) Prioritization.--The list required under subsection (a) shall present the unfunded priorities in order from the highest priority to the lowest, as determined by the Commandant. ``(c) Unfunded Priority Defined.--In this section, the term `unfunded priority' means a ***program*** or mission requirement that-- ``(1) has not been selected for funding in the applicable proposed budget; ``(2) is necessary to fulfill a requirement associated with an operational need; and ``(3) the Commandant would have recommended for inclusion in the applicable proposed budget had additional resources been available or had the requirement emerged before the budget was submitted.''. (c) Clerical Amendment.--The analysis for chapter 51 of title 14, United States Code, is amended by adding at the end the following: ``5108. Unfunded priorities list.''. SEC. 318. SAFETY OF VESSELS OF THE ARMED FORCES. (a) In General.--Section 527 of title 14, United States Code, is amended-- (1) in the heading, by striking ``naval vessels'' and inserting ``vessels of the Armed Forces''; (2) in subsection (a), by striking ``United States naval vessel'' and inserting ``vessel of the Armed Forces''; (3) in subsection (b)-- (A) by striking ``senior naval officer present in command'' and inserting ``senior officer present in command''; and (B) by striking ``United States naval vessel'' and inserting ``vessel of the Armed Forces''; and (4) by adding at the end the following: ``(e) For purposes of this title, the term `vessel of the Armed Forces' means-- ``(1) any vessel owned or operated by the Department of Defense or the Coast Guard, other than a time- or voyage- chartered vessel; and ``(2) any vessel owned and operated by the Department of Transportation that is designated by the Secretary of the department in which the Coast Guard is operating as a vessel equivalent to a vessel described in paragraph (1).''. (b) Clerical Amendment.--The analysis for chapter 5 of title 14, United States Code, is further amended by striking the item relating to section 527 and inserting the following: ``527. Safety of vessels of the Armed Forces.''. (c) Conforming Amendments.--Section 2510(a)(1) of title 14, United States Code, is amended-- (1) by striking ``armed forces'' and inserting ``Armed Forces''; and (2) by striking ``section 101(a) of title 10'' and inserting ``section 527(e)''. SEC. 319. AIR FACILITIES. Section 912 of title 14, United States Code, is amended-- (1) by striking subsection (a); (2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; (3) in subsection (a) as redesignated-- (A) by amending paragraph (3) to read as follows: ``(3) Public notice and comment.-- ``(A) In general.--Prior to closing an air facility, the Secretary shall provide opportunities for public comment, including the convening of public meetings in communities in the area of responsibility of the air facility with regard to the proposed closure or cessation of operations at the air facility. ``(B) Public meetings.--Prior to convening a public meeting under subparagraph (A), the Secretary shall notify each congressional office representing any portion of the area of responsibility of the air station that is the subject to such public meeting of the schedule and location of such public meeting.''; (B) in paragraph (4)-- (i) in the matter preceding subparagraph (A) by striking ``2015'' and inserting ``2017''; and (ii) by amending subparagraph (A) to read as follows: ``(A) submit to the Congress a proposal for such closure, cessation, or reduction in operations along with the budget of the President submitted to Congress under section 1105(a) of title 31 that includes-- ``(i) a discussion of the determination made by the Secretary pursuant to paragraph (2); and ``(ii) a report summarizing the public comments received by the Secretary under paragraph (3)''; and (C) by adding at the end the following: ``(5) Congressional review.--The Secretary may not close, cease operations, or significantly reduce personnel and use of a Coast Guard air facility for which a written notice is provided under paragraph (4)(A) until a period of 18 months beginning on the date on which such notice is provided has elapsed.''. TITLE IV--PORTS AND WATERWAYS SAFETY SEC. 401. CODIFICATION OF PORTS AND WATERWAYS SAFETY ACT. (a) Codification.--Subtitle VII of title 46, United States Code, is amended by inserting before chapter 701 the following: ``CHAPTER 700--PORTS AND WATERWAYS SAFETY ``subchapter a--vessel operations ``70001. Vessel traffic services. ``70002. Special powers. ``70003. Port access routes. ``70004. Considerations by Secretary. ``70005. International agreements. ``subchapter b--ports and waterways safety ``70011. Waterfront safety. ``70012. Navigational hazards. ``70013. Requirement to notify Coast Guard of release of objects into the navigable waters of the United States. ``subchapter c--condition for entry into ports in the united states ``70021. Conditions for entry to ports in the united states. ``subchapter d--definitions, regulations, enforcement, investigatory powers, applicability ``70031. Definitions. ``70032. Saint Lawrence Seaway. ``70033. Limitation on application to foreign vessels. ``70034. Regulations. [[Page S6990]] ``70035. Investigatory powers. ``70036. Enforcement. ``SUBCHAPTER I--VESSEL OPERATIONS ``Sec. 70001. Vessel traffic services ``(a) Subject to the requirements of section 70004, the Secretary-- ``(1) in any port or place under the jurisdiction of the United States, in the navigable waters of the United States, or in any area covered by an international agreement negotiated pursuant to section 70005, may construct, operate, maintain, improve, or expand vessel traffic services, that consist of measures for controlling or supervising vessel traffic or for protecting navigation and the marine environment and that may include one or more of reporting and operating requirements, surveillance and communications systems, routing systems, and fairways; ``(2) shall require appropriate vessels that operate in an area of a vessel traffic service to utilize or comply with that service; ``(3)(A) may require vessels to install and use specified navigation equipment, communications equipment, electronic relative motion analyzer equipment, or any electronic or other device necessary to comply with a vessel traffic service or that is necessary in the interests of vessel safety. ``(B) Notwithstanding subparagraph (A), the Secretary shall not require fishing vessels under 300 gross tons as measured under section 14502, or an alternate tonnage measured under section 14302 as prescribed by the Secretary under section 14104, or recreational vessels 65 feet or less to possess or use the equipment or devices required by this subsection solely under the authority of this chapter; ``(4) may control vessel traffic in areas subject to the jurisdiction of the United States that the Secretary determines to be hazardous, or under conditions of reduced visibility, adverse weather, vessel congestion, or other hazardous circumstances, by-- ``(A) specifying times of entry, movement, or departure; ``(B) establishing vessel traffic routing schemes; ``(C) establishing vessel size, speed, or draft limitations and vessel operating conditions; and ``(D) restricting operation, in any hazardous area or under hazardous conditions, to vessels that have particular operating characteristics or capabilities that the Secretary considers necessary for safe operation under the circumstances; ``(5) may require the receipt of prearrival messages from any vessel, destined for a port or place subject to the jurisdiction of the United States, in sufficient time to permit advance vessel traffic planning before port entry, which shall include any information that is not already a matter of record and that the Secretary determines necessary for the control of the vessel and the safety of the port or the marine environment; and ``(6) may prohibit the use on vessels of electronic or other devices that interfere with communication and navigation equipment, except that such authority shall not apply to electronic or other devices certified to transmit in the maritime services by the Federal Communications Commission and used within the frequency bands 157.1875- 157.4375 MHz and 161.7875-162.0375 MHz. ``(b) Cooperative Agreements.-- ``(1) In general.--The Secretary may enter into cooperative agreements with public or private agencies, authorities, associations, institutions, corporations, organizations, or other persons to carry out the functions under subsection (a)(1). ``(2) Limitation.-- ``(A) A nongovernmental entity may not under this subsection carry out an inherently governmental function. ``(B) As used in this paragraph, the term `inherently governmental function' means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of judgment in making a decision for the Government. ``(c) Limitation of Liability for Coast Guard Vessel Traffic Service Pilots and Non-Federal Vessel Traffic Service Operators.-- ``(1) Coast guard vessel traffic service pilots.--Any pilot, acting in the course and scope of his or her duties while at a Coast Guard Vessel Traffic Service, who provides information, advice, or communication assistance while under the supervision of a Coast Guard officer, member, or employee shall not be liable for damages caused by or related to such assistance unless the acts or omissions of such pilot constitute gross negligence or willful misconduct. ``(2) Non-federal vessel traffic service operators.--An entity operating a non-Federal vessel traffic information service or advisory service pursuant to a duly executed written agreement with the Coast Guard, and any pilot acting on behalf of such entity, is not liable for damages caused by or related to information, advice, or communication assistance provided by such entity or pilot while so operating or acting unless the acts or omissions of such entity or pilot constitute gross negligence or willful misconduct. ``Sec. 70002. Special powers ``The Secretary may order any vessel, in a port or place subject to the jurisdiction of the United States or in the navigable waters of the United States, to operate or anchor in a manner the Secretary directs if-- ``(1) the Secretary has reasonable cause to believe such vessel does not comply with any regulation issued under section 70034 or any other applicable law or treaty; ``(2) the Secretary determines such vessel does not satisfy the conditions for port entry set forth in section 70021 of this title; or ``(3) by reason of weather, visibility, sea conditions, port congestion, other hazardous circumstances, or the condition of such vessel, the Secretary is satisfied such direction is justified in the interest of safety. ``Sec. 70003. Port access routes ``(a) Authority To Designate.--Except as provided in subsection (b) and subject to the requirements of subsection (c), in order to provide safe access routes for the movement of vessel traffic proceeding to or from ports or places subject to the jurisdiction of the United States, the Secretary shall designate necessary fairways and traffic separation schemes for vessels operating in the territorial sea of the United States and in high seas approaches, outside the territorial sea, to such ports or places. Such a designation shall recognize, within the designated area, the paramount right of navigation over all other uses. ``(b) Limitation.-- ``(1) In general.--No designation may be made by the Secretary under this section if-- ``(A) the Secretary determines such a designation, as implemented, would deprive any person of the effective exercise of a right granted by a lease or permit executed or issued under other applicable provisions of law; and ``(B) such right has become vested before the time of publication of the notice required by paragraph (1) of subsection (c). ``(2) Consultation required.--The Secretary shall make the determination under paragraph (1)(A) after consultation with the head of the agency responsible for executing the lease or issuing the permit. ``(c) Consideration of Other Uses.--Before making a designation under subsection (a), and in accordance with the requirements of section 70004, the Secretary shall-- ``(1) undertake a study of the potential traffic density and the need for safe access routes for vessels in any area for which fairways or traffic separation schemes are proposed or that may otherwise be considered and publish notice of such undertaking in the Federal Register; ``(2) in consultation with the Secretary of State, the Secretary of the Interior, the Secretary of Commerce, the Secretary of the Army, and the Governors of affected States, as their responsibilities may require, take into account all other uses of the area under consideration, including, as appropriate, the exploration for, or exploitation of, oil, gas, or other mineral resources, the construction or operation of deepwater ports or other structures on or above the seabed or subsoil of the submerged lands or the Outer Continental Shelf of the United States, the establishment or operation of marine or estuarine sanctuaries, and activities involving recreational or commercial fishing; and ``(3) to the extent practicable, reconcile the need for safe access routes with the needs of all other reasonable uses of the area involved. ``(d) Study.--In carrying out the Secretary's responsibilities under subsection (c), the Secretary shall-- ``(1) proceed expeditiously to complete any study undertaken; and ``(2) after completion of such a study, promptly-- ``(A) issue a notice of proposed rulemaking for the designation contemplated; or ``(B) publish in the Federal Register a notice that no designation is contemplated as a result of the study and the reason for such determination. ``(e) Implementation of Designation.--In connection with a designation made under this section, the Secretary-- ``(1) shall issue reasonable rules and regulations governing the use of such designated areas, including rules and regulations regarding the applicability of rules 9 and 10 of the International Regulations for Preventing Collisions at Sea, 1972, relating to narrow channels and traffic separation schemes, respectively, in waters where such regulations apply; ``(2) to the extent that the Secretary finds reasonable and necessary to effectuate the purposes of the designation, make the use of designated fairways and traffic separation schemes mandatory for specific types and sizes of vessels, foreign and domestic, operating in the territorial sea of the United States and for specific types and sizes of vessels of the United States operating on the high seas beyond the territorial sea of the United States; ``(3) may, from time to time, as necessary, adjust the location or limits of designated fairways or traffic separation schemes in order to accommodate the needs of other uses that cannot be reasonably accommodated otherwise, except that such an adjustment may not, in the judgment of the Secretary, unacceptably adversely affect the purpose for which the existing designation was made and the need for which continues; and ``(4) shall, through appropriate channels-- ``(A) notify cognizant international organizations of any designation, or adjustment thereof; and [[Page S6991]] ``(B) take action to seek the cooperation of foreign States in making it mandatory for vessels under their control to use, to the same extent as required by the Secretary for vessels of the United States, any fairway or traffic separation scheme designated under this section in any area of the high seas. ``Sec. 70004. Considerations by Secretary ``In carrying out the duties of the Secretary under sections 70001, 70002, and 70003, the Secretary shall-- ``(1) take into account all relevant factors concerning navigation and vessel safety, protection of the marine environment, and the safety and security of United States ports and waterways, including-- ``(A) the scope and degree of the risk or hazard involved; ``(B) vessel traffic characteristics and trends, including traffic volume, the sizes and types of vessels involved, potential interference with the flow of commercial traffic, the presence of any unusual cargoes, and other similar factors; ``(C) port and waterway configurations and variations in local conditions of geography, climate, and other similar factors; ``(D) the need for granting exemptions for the installation and use of equipment or devices for use with vessel traffic services for certain classes of small vessels, such as self- propelled fishing vessels and recreational vessels; ``(E) the proximity of fishing grounds, oil and gas drilling and production operations, or any other potential or actual conflicting activity; ``(F) environmental factors; ``(G) economic impact and effects; ``(H) existing vessel traffic services; and ``(I) local practices and customs, including voluntary arrangements and agreements within the maritime community; and ``(2) at the earliest possible time, consult with and receive and consider the views of representatives of the maritime community, ports and harbor authorities or associations, environmental groups, and other persons who may be affected by the proposed actions. ``Sec. 70005. International agreements ``(a) Transmittal of Regulations.--The Secretary shall transmit, via the Secretary of State, to appropriate international bodies or forums, any regulations issued under this subchapter, for consideration as international standards. ``(b) Agreements.--The President is authorized and encouraged to-- ``(1) enter into negotiations and conclude and execute agreements with neighboring nations, to establish compatible vessel standards and vessel traffic services, and to establish, operate, and maintain international vessel traffic services, in areas and under circumstances of mutual concern; and ``(2) enter into negotiations, through appropriate international bodies, and conclude and execute agreements to establish vessel traffic services in appropriate areas of the high seas. ``(c) Operations.--The Secretary, pursuant to any agreement negotiated under subsection (b) that is binding upon the United States in accordance with constitutional requirements, may-- ``(1) require vessels operating in an area of a vessel traffic service to utilize or to comply with the vessel traffic service, including the carrying or installation of equipment and devices as necessary for the use of the service; and ``(2) waive, by order or regulation, the application of any United States law or regulation concerning the design, construction, operation, equipment, personnel qualifications, and manning standards for vessels operating in waters over which the United States exercises jurisdiction if such vessel is not en route to or from a United States port or place, and if vessels en route to or from a United States port or place are accorded equivalent waivers of laws and regulations of the neighboring nation, when operating in waters over which that nation exercises jurisdiction. ``(d) Ship Reporting Systems.--The Secretary, in cooperation with the International Maritime Organization, may implement and enforce two mandatory ship reporting systems, consistent with international law, with respect to vessels subject to such reporting systems entering the following areas of the Atlantic Ocean: ``(1) Cape Cod Bay, Massachusetts Bay, and Great South Channel (in the area generally bounded by a line starting from a point on Cape Ann, Massachusetts at 42 deg. 39' N., 70 deg. 37' W; then northeast to 42 deg. 45' N., 70 deg. 13' W; then southeast to 42 deg. 10' N., 68 deg. 31' W, then south to 41 deg. 00' N., 68 deg. 31' W; then west to 41 deg. 00' N., 69 deg. 17' W; then northeast to 42 deg. 05' N., 70 deg. 02' W, then west to 42 deg. 04' N., 70 deg. 10' W; and then along the Massachusetts shoreline of Cape Cod Bay and Massachusetts Bay back to the point on Cape Ann at 42 deg. 39' N., 70 deg. 37' W). ``(2) In the coastal waters of the Southeastern United States within about 25 nm along a 90 nm stretch of the Atlantic seaboard (in an area generally extending from the shoreline east to longitude 80 deg. 51.6' W with the southern and northern boundary at latitudes 30 deg. 00' N., 31 deg. 27' N., respectively). ``SUBCHAPTER II--PORTS AND WATERWAYS SAFETY ``Sec. 70011. Waterfront safety ``(a) In General.--The Secretary may take such action as is necessary to-- ``(1) prevent damage to, or the destruction of, any bridge or other structure on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to such waters; and ``(2) protect the navigable waters and the resources therein from harm resulting from vessel or structure damage, destruction, or loss. ``(b) Actions Authorized.--Actions authorized by subsection (a) include-- ``(1) establishing procedures, measures, and standards for the handling, loading, unloading, storage, stowage, and movement on a structure (including the emergency removal, control, and disposition) of explosives or other dangerous articles and substances, including oil or hazardous material as those terms are defined in section 2101; ``(2) prescribing minimum safety equipment requirements for a structure to assure adequate protection from fire, explosion, natural disaster, and other serious accidents or casualties; ``(3) establishing water or waterfront safety zones, or other measures, for limited, controlled, or conditional access and activity when necessary for the protection of any vessel, structure, waters, or shore area; and ``(4) establishing procedures for examination to assure compliance with the requirements prescribed under this section. ``(c) State Law.--Nothing in this section, with respect to structures, prohibits a State or political subdivision thereof from prescribing higher safety equipment requirements or safety standards than those that may be prescribed by regulations under this section. ``Sec. 70012. Navigational hazards ``(a) Reporting Procedure.--The Secretary shall establish a ***program*** to encourage fishermen and other vessel operators to report potential or existing navigational hazards involving pipelines to the Secretary through Coast Guard field offices. ``(b) Secretary's Response.-- ``(1) Notification by the operator of a pipeline.--Upon notification by the operator of a pipeline of a hazard to navigation with respect to that pipeline, the Secretary shall immediately notify Coast Guard headquarters, the Pipeline and Hazardous Materials Safety Administration, other affected Federal and State agencies, and vessel owners and operators in the pipeline's vicinity. ``(2) Notification by other persons.--Upon notification by any other person of a hazard or potential hazard to navigation with respect to a pipeline, the Secretary shall promptly determine whether a hazard exists, and if so shall immediately notify Coast Guard headquarters, the Pipeline and Hazardous Materials Safety Administration, other affected Federal and State agencies, vessel owners and operators in the pipeline's vicinity, and the owner and operator of the pipeline. ``(c) Pipeline Defined.--For purposes of this section, the term `pipeline' has the meaning given the term `pipeline facility' in section 60101(a)(18) of title 49. ``Sec. 70013. Requirement to notify Coast Guard of release of objects into the navigable waters of the United States ``(a) Requirement.--As soon as a person has knowledge of any release from a vessel or facility into the navigable waters of the United States of any object that creates an obstruction prohibited under section 10 of the Act of March 3, 1899, popularly known as the Rivers and Harbors Appropriations Act of 1899 (33 U.S.C 403), such person shall notify the Secretary and the Secretary of the Army of such release. ``(b) Restriction on Use of Notification.--Any notification provided by an individual in accordance with subsection (a) may not be used against such individual in any criminal case, except a prosecution for perjury or for giving a false statement. ``SUBCHAPTER III--CONDITION FOR ENTRY INTO PORTS IN THE UNITED STATES ``Sec. 70021. Conditions for entry to ports in the United States ``(a) In General.--No vessel that is subject to chapter 37 shall operate in the navigable waters of the United States or ***transfer*** cargo or residue in any port or place under the jurisdiction of the United States, if such vessel-- ``(1) has a history of accidents, pollution incidents, or serious repair problems that, as determined by the Secretary, creates reason to believe that such vessel may be unsafe or may create a threat to the marine environment; ``(2) fails to comply with any applicable regulation issued under section 70034, chapter 37, or any other applicable law or treaty; ``(3) discharges oil or hazardous material in violation of any law of the United States or in a manner or quantities inconsistent with any treaty to which the United States is a party; ``(4) does not comply with any applicable vessel traffic service requirements; ``(5) is manned by one or more officers who are licensed by a certificating State that the Secretary has determined, pursuant to section 9101 of title 46, does not have standards for licensing and certification of seafarers that are comparable to or more stringent than United States standards or international standards that are accepted by the United States; ``(6) is not manned in compliance with manning levels as determined by the Secretary to be necessary to insure the safe navigation of the vessel; or [[Page S6992]] ``(7) while underway, does not have at least one licensed deck officer on the navigation bridge who is capable of clearly understanding English. ``(b) Exceptions.-- ``(1) In general.--The Secretary may allow provisional entry of a vessel that is not in compliance with subsection (a), if the owner or operator of such vessel proves, to the satisfaction of the Secretary, that such vessel is not unsafe or a threat to the marine environment, and if such entry is necessary for the safety of the vessel or persons aboard. ``(2) Provisions not applicable.--Paragraphs (1), (2), (3), and (4) of subsection (a) of this section shall not apply to a vessel allowed provisional entry under paragraph (1) if the owner or operator of such vessel proves, to the satisfaction of the Secretary, that such vessel is no longer unsafe or a threat to the marine environment, and is no longer in violation of any applicable law, treaty, regulation, or condition, as appropriate. ``SUBCHAPTER IV--DEFINITIONS, REGULATIONS, ENFORCEMENT, INVESTIGATORY POWERS, APPLICABILITY ``Sec. 70031. Definitions ``As used in subchapters A through C and this subchapter, unless the context otherwise requires: ``(1) The term `marine environment' means-- ``(A) the navigable waters of the United States and the land and resources therein and thereunder; ``(B) the waters and fishery resources of any area over which the United States asserts exclusive fishery management authority; ``(C) the seabed and subsoil of the Outer Continental Shelf of the United States, the resources thereof, and the waters superjacent thereto; and ``(D) the recreational, economic, and scenic values of such waters and resources. ``(2) The term `Secretary' means the Secretary of the department in which the Coast Guard is operating, except that such term means the Secretary of Transportation with respect to the application of this chapter to the Saint Lawrence Seaway. ``(3) The term `navigable waters of the United States' includes all waters of the territorial sea of the United States as described in Presidential Proclamation No. 5928 of December 27, 1988. ``Sec. 70032. Saint Lawrence Seaway ``The authority granted to the Secretary under sections 70001, 70002, 70003, 70004, and 70011 may not be delegated with respect to the Saint Lawrence Seaway to any agency other than the Saint Lawrence Seaway Development Corporation. Any other authority granted the Secretary under subchapters A through C and this subchapter shall be delegated by the Secretary to the Saint Lawrence Seaway Development Corporation to the extent the Secretary determines such delegation is necessary for the proper operation of the Saint Lawrence Seaway. ``Sec. 70033. Limitation on application to foreign vessels ``Except pursuant to international treaty, convention, or agreement, to which the United States is a party, subchapters A through C and this subchapter shall not apply to any foreign vessel that is not destined for, or departing from, a port or place subject to the jurisdiction of the United States and that is in-- ``(1) innocent passage through the territorial sea of the United States; or ``(2) transit through the navigable waters of the United States that form a part of an international strait. ``Sec. 70034. Regulations ``(a) In General.--In accordance with section 553 of title 5, the Secretary shall issue, and may from time to time amend or repeal, regulations necessary to implement subchapters A through C and this subchapter. ``(b) Consultation.--In the exercise of the regulatory authority under subchapters A through C and this subchapter, the Secretary shall consult with, and receive and consider the views of all interested persons, including-- ``(1) interested Federal departments and agencies; ``(2) officials of State and local governments; ``(3) representatives of the maritime community; ``(4) representatives of port and harbor authorities or associations; ``(5) representatives of environmental groups; ``(6) any other interested persons who are knowledgeable or experienced in dealing with problems involving vessel safety, port and waterways safety, and protection of the marine environment; and ``(7) advisory committees consisting of all interested segments of the public when the establishment of such committees is considered necessary because the issues involved are highly complex or controversial. ``Sec. 70035. Investigatory powers ``(a) Secretary.--The Secretary may investigate any incident, accident, or act involving the loss or destruction of, or damage to, any structure subject to subchapters A through C and this subchapter, or that affects or may affect the safety or environmental quality of the ports, harbors, or navigable waters of the United States. ``(b) Powers.--In an investigation under this section, the Secretary may issue subpoenas to require the attendance of witnesses and the production of documents or other evidence relating to such incident, accident, or act. If any person refuses to obey a subpoena, the Secretary may request the Attorney General to invoke the aid of the appropriate district court of the United States to compel compliance with the subpoena. Any district court of the United States may, in the case of refusal to obey a subpoena, issue an order requiring compliance with the subpoena, and failure to obey the order may be punished by the court as contempt. Witnesses may be paid fees for travel and attendance at rates not exceeding those allowed in a district court of the United States. ``Sec. 70036. Enforcement ``(a) Civil Penalty.-- ``(1) In general.--Any person who is found by the Secretary, after notice and an opportunity for a hearing, to have violated subchapters A through C or this subchapter or a regulation issued under subchapters A through C or this subchapter shall be liable to the United States for a civil penalty, not to exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty shall be assessed by the Secretary, or the Secretary's designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require. ``(2) Compromise, modification, or remission.--The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that is subject to imposition or that has been imposed under this section. ``(3) Failure to pay penalty.--If any person fails to pay an assessment of a civil penalty after it has become final, the Secretary may refer the matter to the Attorney General of the United States, for collection in any appropriate district court of the United States. ``(b) Criminal Penalty.-- ``(1) Class d felony.--Any person who willfully and knowingly violates subchapters A through C or this subchapter or any regulation issued thereunder commits a class D felony. ``(2) Class c felony.--Any person who, in the willful and knowing violation of subchapters A through C or this subchapter or of any regulation issued thereunder, uses a dangerous weapon, or engages in conduct that causes bodily injury or fear of imminent bodily injury to any officer authorized to enforce the provisions of such a subchapter or the regulations issued under such subchapter, commits a class C felony. ``(c) In Rem Liability.--Any vessel that is used in violation of subchapters A, B, or C or this subchapter, or any regulations issued under such subchapter, shall be liable in rem for any civil penalty assessed pursuant to subsection (a) and may be proceeded against in the United States district court for any district in which such vessel may be found. ``(d) Injunction.--The United States district courts shall have jurisdiction to restrain violations of subchapter A, B, or C or this subchapter or of regulations issued under such subchapter, for cause shown. ``(e) Denial of Entry.--Except as provided in section 70021, the Secretary may, subject to recognized principles of international law, deny entry by any vessel that is not in compliance with subchapter A, B, or C or this subchapter or the regulations issued under such subchapter-- ``(1) into the navigable waters of the United States; or ``(2) to any port or place under the jurisdiction of the United States. ``(f) Withholding of Clearance.-- ``(1) In general.--If any owner, operator, or individual in charge of a vessel is liable for a penalty or fine under this section, or if reasonable cause exists to believe that the owner, operator, or individual in charge may be subject to a penalty or fine under this section, the Secretary of the Treasury, upon the request of the Secretary, shall with respect to such vessel refuse or revoke any clearance required by section 60105 of title 46. ``(2) Granting clearance refused or revoked.--Clearance refused or revoked under this subsection may be granted upon filing of a bond or other surety satisfactory to the Secretary.''. (b) Clerical Amendment.--The analysis at the beginning of such subtitle is amended by inserting before the item relating to chapter 701 the following: ``700. Ports and Waterways Safety.........................70001 ''..... SEC. 402. CONFORMING AMENDMENTS. (a) Electronic Charts.-- (1) ***Transfer*** of provision.--Section 4A of the Ports and Waterways Safety Act (33 U.S.C 1223a)-- (A) is redesignated as section 3105 of title 46, United States Code, and ***transferred*** to appear after section 3104 of that title; and (B) is amended by striking subsection (b) and inserting the following: ``(b) Limitation on Application.--Except pursuant to an international treaty, convention, or agreement, to which the United States is a party, this section shall not apply to any foreign vessel that is not destined for, or departing from, a port or place subject to the jurisdiction of the United States and that is in-- [[Page S6993]] ``(1) innocent passage through the territorial sea of the United States; or ``(2) transit through the navigable waters of the United States that form a part of an international strait.''. (2) Clerical amendment.--The analysis at the beginning of chapter 31 of such title is amended by adding at the end the following: ``3105. Electronic charts.''. (b) Port, Harbor, and Coastal Facility Security.-- (1) ***Transfer*** of provisions.--So much of section 7 of the Ports and Waterways Safety Act (33 U.S.C 1226) as precedes subsection (c) of that section is redesignated as section 70116 of title 46, United States Code, and ***transferred*** to section 70116 of that title. (2) Definitions, administration, and enforcement.--Section 70116 of title 46, United States Code, as amended by paragraph (1) of this subsection, is amended by adding at the end the following: ``(c) Definitions, Administration, and Enforcement.--This section shall be treated as part of chapter 700 for purposes of sections 70031, 70032, 70034, 70035, and 70036.''. (3) Clerical amendment.--The analysis at the beginning of chapter 701 of such title is amended by striking the item relating to section 70116 and inserting the following: ``70116. Port, harbor, and coastal facility security.''. (c) Nondisclosure of Port Security Plans.--Subsection (c) of section 7 of the Ports and Waterways Safety Act (33 U.S.C 1226), as so designated before the application of subsection (b)(1) of this section-- (1) is redesignated as subsection (f) of section 70103 of title 46, United States Code, and ***transferred*** so as to appear after subsection (e) of such section; and (2) is amended by striking ``this Act'' and inserting ``this chapter''. (d) Repeal.--Section 2307 of title 46, United States Code, and the item relating to that section in the analysis at the beginning of chapter 23 of that title, are repealed. (e) Repeal.--The Ports and Waterways Safety Act (33 U.S.C 1221-1231, 1232-1232b), as amended by this Act, is repealed. SEC. 403. TRANSITIONAL AND SAVINGS PROVISIONS. (a) Definitions.--In this section: (1) Source provision.--The term ``source provision'' means a provision of law that is replaced by a title 46 provision under this title. (2) Title 46 provision.--The term ``title 46 provision'' means a provision of title 46, United States Code, that is enacted by section 402. (b) Cutoff Date.--The title 46 provisions replace certain provisions of law enacted before the date of the enactment of this Act. If a law enacted after that date amends or repeals a source provision, that law is deemed to amend or repeal, as the case may be, the corresponding title 46 provision. If a law enacted after that date is otherwise inconsistent with a title 46 provision or a provision of this title, that law supersedes the title 46 provision or provision of this title to the extent of the inconsistency. (c) Original Date of Enactment Unchanged.--For purposes of determining whether one provision of law supersedes another based on enactment later in time, a title 46 provision is deemed to have been enacted on the date of enactment of the source provision that the title 46 provision replaces. (d) References to Title 46 Provisions.--A reference to a title 46 provision, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding source provision. (e) References to Source Provisions.--A reference to a source provision, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding title 46 provision. (f) Regulations, Orders, and Other Administrative Actions.--A regulation, order, or other administrative action in effect under a source provision continues in effect under the corresponding title 46 provision. (g) Actions Taken and Offenses Committed.--An action taken or an offense committed under a source provision is deemed to have been taken or committed under the corresponding title 46 provision. SEC. 404. RULE OF CONSTRUCTION. This title, including the amendments made by this title, is intended only to ***transfer*** provisions of the Ports and Waterways Safety Act to title 46, United States Code, and may not be construed to alter-- (1) the effect of a provision of the Ports and Waterways Safety Act, including any authority or requirement therein; (2) a department or agency interpretation with respect to the Ports and Waterways Safety Act; or (3) a judicial interpretation with respect to the Ports and Waterways Safety Act. SEC. 405. ADVISORY COMMITTEE: REPEAL. Section 18 of the Coast Guard Authorization Act of 1991 (Public Law 102-241; 105 Stat. 2213) is repealed. SEC. 406. REGATTAS AND MARINE PARADES. (a) In General.--Chapter 700 of title 46, United States Code, as established by section 401 of this Act, is amended by adding at the end the following: ``SUBCHAPTER V--REGATTAS AND MARINE PARADES ``Sec. 70041. Regattas and marine parades ``(a) In General.--The Commandant of the Coast Guard may issue regulations to promote the safety of life on navigable waters during regattas or marine parades. ``(b) Detail and Use of Vessels.--To enforce regulations issued under this section-- ``(1) the Commandant may detail any public vessel in the service of the Coast Guard and make use of any private vessel tendered gratuitously for that purpose; and ``(2) upon the request of the Commandant, the head of any other Federal department or agency may enforce the regulations by means of any public vessel of such department and any private vessel tendered gratuitously for that purpose. ``(c) ***Transfer*** of Authority.--The authority of the Commandant under this section may be ***transferred*** by the President for any special occasion to the head of another Federal department or agency whenever in the President's judgment such ***transfer*** is desirable. ``(d) Penalties.-- ``(1) In general.--For any violation of regulations issued pursuant to this section the following penalties shall be incurred: ``(A) A licensed officer shall be liable to suspension or revocation of license in the manner prescribed by law for incompetency or misconduct. ``(B) Any person in charge of the navigation of a vessel other than a licensed officer shall be liable to a penalty of $5,000. ``(C) The owner of a vessel (including any corporate officer of a corporation owning the vessel) actually on board shall be liable to a penalty of $5,000, unless the violation of regulations occurred without the owner's knowledge. ``(D) Any other person shall be liable to a penalty of $2,500. ``(2) Mitigation or remission.--The Commandant may mitigate or remit any penalty provided for in this subsection in the manner prescribed by law for the mitigation or remission of penalties for violation of the navigation laws.''. (b) Clerical Amendment.--The analysis for chapter 700 of title 46, United States Code, as established by section 401 of this Act, is amended by adding at the end the following: ``subchapter e--regattas and marine parades ``70041. Regattas and marine parades.''. (c) Repeal.--The Act of April 28, 1908 (35 Stat. 69, chapter 151; 33 U.S.C 1233 et seq.), is repealed. SEC. 407. REGULATION OF VESSELS IN TERRITORIAL WATERS OF UNITED STATES. (a) Establishment of Subchapter F.--Chapter 700 of title 46, United States Code, as established by section 401 of this Act, is amended by adding at the end the following: ``SUBCHAPTER VI--REGULATION OF VESSELS IN TERRITORIAL WATERS OF UNITED STATES ``Sec. 70054. Definitions ``In this subchapter: ``(1) United states.--The term `United States' includes all territory and waters, continental or insular, subject to the jurisdiction of the United States. ``(2) Territorial waters.--The term `territorial waters of the United States' includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.''. (b) Regulation of Anchorage and Movement of Vessels During National Emergency.--Section 1 of title II of the Act of June 15, 1917 (40 Stat. 220, chapter 30; 50 U.S.C 191), is amended-- (1) by striking the section designation and all that follows before ``by proclamation'' and inserting the following: ``Sec. 70051. Regulation of anchorage and movement of vessels during national emergency ``Whenever the President''; (2) by striking ``of the Treasury''; (3) by striking ``of the department in which the Coast Guard is operating''; (4) by striking ``this title'' and inserting ``this subchapter''; and (5) by ***transferring*** the section so that the section appears before section 70054 of title 46, United States Code (as added by subsection (a) of this section). (c) Seizure and Forfeiture of Vessel; Fine and Imprisonment.--Section 2 of title II of the Act of June 15, 1917 (40 Stat. 220, chapter 30; 50 U.S.C 192), is amended-- (1) by striking the section designation and all that follows before ``agent,'' and inserting the following: ``Sec. 70052. Seizure and forfeiture of vessel; fine and imprisonment ``(a) In General.--If any owner,''; (2) by striking ``this title'' each place it appears and inserting ``this subchapter''; and (3) by ***transferring*** the section so that the section appears after section 70051 of title 46, United States Code (as ***transferred*** by subsection (b) of this section). (d) Enforcement Provisions.--Section 4 of title II of the Act of June 15, 1917 (40 Stat. 220, chapter 30; 50 U.S.C 194), is amended-- (1) by striking all before ``may employ'' and inserting the following: ``Sec. 70053. Enforcement provisions ``The President''; (2) by striking ``the purpose of this title'' and inserting ``this subchapter''; and (3) by ***transferring*** the section so that the section appears after section 70052 of title 46, United States Code (as ***transferred*** by subsection (c) of this section). (e) Clerical Amendment.--The analysis for chapter 700 of title 46, United States Code, as established by section 401 of this Act, is amended by adding at the end the following: [[Page S6994]] ``subchapter f--regulation of vessels in territorial waters of united states ``70051. Regulation of anchorage and movement of vessels during national emergency. ``70052. Seizure and forfeiture of vessel; fine and imprisonment. ``70053. Enforcement provisions. ``70054. Definitions.''. SEC. 408. PORT, HARBOR, AND COASTAL FACILITY SECURITY. (a) ***Transfer*** of Provisions.--So much of section 7 of the Ports and Waterways Safety Act (33 U.S.C 1226) as precedes subsection (c) of that section is redesignated as section 70102a of title 46, United States Code, and ***transferred*** so as to appear after section 70102 of that title. (b) Definitions, Administration, and Enforcement.--Section 70102a of title 46, United States Code, as amended by paragraph (1) of this subsection, is amended by adding at the end the following: ``(c) Definitions, Administration, and Enforcement.--This section shall be treated as part of chapter 700 for purposes of sections 70031, 70032, 70034, 70035, and 70036.''. (c) Clerical Amendment.--The analysis at the beginning of chapter 701 of such title is amended by inserting after the item relating to section 70102 the following: ``70102a. Port, harbor, and coastal facility security.''. (d) Nondisclosure of Port Security Plans.--Subsection (c) of section 7 of the Ports and Waterways Safety Act (33 U.S.C 1226), as so designated before the application of subsection (b)(1) of this section-- (1) is redesignated as subsection (f) of section 70103 of title 46, United States Code, and ***transferred*** so as to appear after subsection (e) of such section; and (2) is amended by striking ``this Act'' and inserting ``this chapter''. TITLE V--MARITIME TRANSPORTATION SAFETY SEC. 501. CONSISTENCY IN MARINE INSPECTIONS. (a) In General.--Section 3305 of title 46, United States Code, is amended by adding at the end the following: ``(d)(1) The Commandant of the Coast Guard shall ensure that Officers in Charge, Marine Inspections consistently interpret regulations and standards under this subtitle and chapter 700 to avoid disruption and undue expense to industry. ``(2)(A) Subject to subparagraph (B), in the event of a disagreement regarding the condition of a vessel or the interpretation of a regulation or standard referred to in subsection (a) between a local Officer in Charge, Marine Inspection conducting an inspection of the vessel and the Officer in Charge, Marine Inspection that issued the most recent certificate of inspection for the vessel, such Officers shall seek to resolve such disagreement. ``(B) If a disagreement described in subparagraph (A) involves vessel design or plan review, the Coast Guard marine safety center shall be included in all efforts to resolve such disagreement. ``(C) If a disagreement described in subparagraph (A) or (B) cannot be resolved, the local Officer in Charge, Marine Inspection shall submit to the Commandant of the Coast Guard, through the cognizant Coast Guard district commander, a request for a final agency determination of the matter in disagreement. ``(3) The Commandant of the Coast Guard shall-- ``(A) provide to each person affected by a decision or action by an Officer in Charge, Marine Inspection or by the Coast Guard marine safety center all information necessary for such person to exercise any right to appeal such decision or action; and ``(B) if such an appeal is filed, process such appeal under parts 1 through 4 of title 46, Code of Federal Regulations, as in effect on the date of enactment of the Coast Guard Authorization Act of 2017. ``(4) In this section, the term `Officer in Charge, Marine Inspection' means any person from the civilian or military branch of the Coast Guard who-- ``(A) is designated as such by the Commandant; and ``(B) under the superintendence and direction of the cognizant Coast Guard district commander, is in charge of an inspection zone for the performance of duties with respect to the inspections under, and enforcement and administration of, subtitle II, chapter 700, and regulations under such laws.''. (b) Report on Marine Inspector Training.--Not later than 1 ***year*** after the date of the enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the training, experience, and qualifications required for assignment as a marine inspector under section 312 of title 14, United States Code, including-- (1) a description of any continuing education requirement, including a specific list of the required courses; (2) a description of the training, including a specific list of the included courses, offered to a journeyman or an advanced journeyman marine inspector to advance inspection expertise; (3) a description of any training that was offered in the 15-***year*** period before the date of the enactment of this Act, but is no longer required or offered, including a specific list of the included courses, including the senior marine inspector course and any plan review courses; (4) a justification for why a course described in paragraph (3) is no longer required or offered; and (5) a list of the course content the Commandant considers necessary to promote consistency among marine inspectors in an environment of increasingly complex vessels and vessel systems. SEC. 502. UNINSPECTED PASSENGER VESSELS IN ST. LOUIS COUNTY, MINNESOTA. Section 4105 of title 46, United States Code, amended-- (1) by redesignating subsection (c) as subsection (d); and (2) by inserting after subsection (b) the following: ``(c) In applying this title with respect to an uninspected vessel of less than 25 feet overall in length that carries passengers on Crane Lake or waters contiguous to such lake in St. Louis County, Minnesota, the Secretary shall substitute `12 passengers' for `6 passengers' each place it appears in section 2101(51).''. SEC. 503. ENGINE CUT-OFF SWITCH REQUIREMENTS. (a) In General.--Chapter 43 of title 46, United States Code, is amended by adding at the end the following: ``Sec. 4312. Engine cut-off switches ``(a) Installation Requirement.--A manufacturer, distributor, or dealer that installs propulsion machinery and associated starting controls on a covered recreational vessel shall equip such vessel with an engine cut-off switch and engine cut-off switch link that meet American Boat and Yacht Council Standard A-33, as in effect on the date of the enactment of the Coast Guard Authorization Act of 2017. ``(b) Education on Cut-off Switches.--The Commandant of the Coast Guard, through the National Boating Safety Advisory Committee established under section 15105, may initiate a boating safety ***program*** on the use and benefits of cut-off switches for recreational vessels. ``(c) Availability of Standard for Inspection.-- ``(1) In general.--Not later than 90 days after the date of the enactment of this section, the Commandant shall transmit American Boat and Yacht Council Standard A-33, as in effect on the date of enactment of the Coast Guard Authorization Act of 2017, to-- ``(A) the Committee on Transportation and Infrastructure of the House of Representatives; ``(B) the Committee on Commerce, Science, and Transportation of the Senate; and ``(C) the Coast Guard Office of Design and Engineering Standards; and ``(D) the National Archives and Records Administration. ``(2) Availability.--The standard submitted under paragraph (1) shall be kept on file and available for public inspection at such Coast Guard office and the National Archives and Records Administration. ``(d) Definitions.--In this section: ``(1) Covered recreational vessel.--The term `covered recreational vessel' means a recreational vessel that is-- ``(A) less than 26 feet overall in length; and ``(B) capable of developing 115 pounds or more of static thrust. ``(2) Dealer.--The term `dealer' means any person who is engaged in the sale and distribution of recreational vessels or associated equipment to purchasers whom the seller in good faith believes to be purchasing any such vessel or associated equipment for purposes other than resale. ``(3) Distributor.--The term `distributor' means any person engaged in the sale and distribution of recreational vessels and associated equipment for the purposes of resale. ``(4) Manufacturer.--The term `equipment manufacturer' means any person engaged in the manufacture, construction, or assembly of recreational vessels or associated equipment, or the importation of recreational vessels into the United States for subsequent sale. ``(5) Propulsion machinery.--The term `propulsion machinery' means a self-contained propulsion system, and includes, but is not limited to, inboard engines, outboard motors, and sterndrive engines. ``(6) Static thrust.--The term `static thrust' means the forward or backwards thrust developed by propulsion machinery while stationary.''. (b) Clerical Amendment.--The analysis at the beginning of such chapter is amended by adding at the end the following: ``4312. Engine cut-off switches.''. (c) Effective Date.--Section 4312 of title 46, United States Code, as amended by this section, shall take effect one ***year*** after the date of the enactment of this Act. SEC. 504. EXCEPTION FROM SURVIVAL CRAFT REQUIREMENTS. Section 4502(b) of title 46, United States Code, is amended-- (1) in paragraph (2)(B), by striking ``a survival craft'' and inserting ``subject to paragraph (3), a survival craft''; (2) by adding at the end the following: ``(3) Except for a nonapplicable vessel, an auxiliary craft shall satisfy the equipment requirement under paragraph (2)(B) if such craft is-- ``(A) necessary for normal fishing operations; ``(B) readily accessible during an emergency; and [[Page S6995]] ``(C) capable, in accordance with the Coast Guard capacity rating, when applicable, of safely holding all individuals on board the vessel to which the craft functions as an auxiliary.''; and (3) by adding at the end the following: ``(k) For the purposes of this section, the term `auxiliary craft' means a vessel that is carried onboard a fishing vessel and is normally used to support fishing operations.''. SEC. 505. SAFETY STANDARDS. Section 4502(f) of title 46, United States Code, is amended by striking paragraphs (2) and (3) and inserting the following: ``(2) shall examine at dockside a vessel described in subsection (b) at least once every 5 ***years***, but may require an exam at dockside every 2 ***years*** for certain vessels described in subsection (b) if requested by the owner or operator; and ``(3) shall issue a certificate of compliance to a vessel meeting the requirements of this chapter and satisfying the requirements in paragraph (2).''. SEC. 506. FISHING SAFETY GRANTS. Section 4502 of title 46, United States Code, is amended-- (1) in subsections (i) and (j), by striking ``Secretary'' each place it appears and inserting ``Secretary of Health and Human Services''; (2) in subsection (i)(2), as amended by paragraph (1), by inserting ``, in consultation with and based on criteria established by the Commandant of the Coast Guard'' after ``Health and Human Services''; (3) in subsection (i)(3), by striking ``75'' and inserting ``50''; (4) in subsection (i)(4), by striking ``$3,000,000 for each of fiscal ***years*** 2015 through 2017'' and inserting ``$3,000,000 for each of fiscal ***years*** 2018 through 2019''; (5) in subsection (j)(2), as amended by paragraph (1), by inserting ``, in consultation with and based on criteria established by the Commandant of the Coast Guard,'' after ``Health and Human Services''; (6) in subsection (j)(3), by striking ``75'' and inserting ``50''; and (7) in subsection (j)(4), by striking ``$3,000,000 for each fiscal ***years*** 2015 through 2017'' and inserting ``$3,000,000 for each of fiscal ***years*** 2018 through 2019''. SEC. 507. FISHING, FISH TENDER, AND FISH PROCESSING VESSEL CERTIFICATION. (a) Nonapplication.--Section 4503(c)(2)(A) of title 46, United States Code, is amended by striking ``79'' and inserting ``180''. (b) Determining When Keel Is Laid.--Section 4503(f) of title 46, United States Code, as redesignated by section 508 of this Act, is further amended to read as follows: ``(f)(1) For purposes of this section and section 4503a, the term `built' means, with respect to a vessel, that the vessel's construction has reached any of the following stages: ``(A) The vessel's keel is laid. ``(B) Construction identifiable with the vessel has begun and assembly of that vessel has commenced comprising of at least 50 metric tons or one percent of the estimated mass of all structural material, whichever is less. ``(2) In the case of a vessel greater than 79 feet overall in length, for purposes of paragraph (1)(A) a keel is deemed to be laid when a marine surveyor affirms that a structure adequate for serving as a keel for such vessel is in place and identified for use in the construction of such vessel.''. SEC. 508. DEADLINE FOR COMPLIANCE WITH ALTERNATE SAFETY COMPLIANCE ***PROGRAM***. (a) In General.--Section 4503(d) of title 46, United States Code, is redesignated as section 4503a and ***transferred*** to appear after section 4503 of such title. (b) Fishing, Fish Tender, and Fish Processing Vessel Certification.--Section 4503 of title 46, United States Code, is amended-- (1) by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively; (2) in subsection (b), by striking ``subsection (d)'' and inserting ``section 4503a''; (3) in subsection (c)(2)(B)(ii)(I), by striking ``subsection (e)'' and inserting ``subsection (d)''; (4) in subsection (c)(2)(B)(ii)(II), by striking ``subsection (f)'' and inserting ``subsection (e)''; (5) in subsection (e)(1), as amended by paragraph (1) of this subsection, by striking ``subsection (e)'' each place it appears and inserting ``subsection (d)''; and (6) in subsection (e)(2), as amended by paragraph (1) of this subsection, by striking ``subsection (e)'' each place it appears and inserting ``subsection (d)''; (c) Alternate Safety Compliance ***Program***.--Section 4503a of title 46, United States Code, as redesignated and ***transferred*** by subsection (a) of this section, is amended-- (1) by redesignating paragraphs (1), (2), (3), (4), and (5) as subsections (a), (b), (c), (d), and (e), respectively; (2) by inserting before subsection (a), as so redesignated, the following: ``Sec. 4503a. Alternate safety compliance ***program***''; (3) in subsection (a), as redesignated by paragraph (1) of this subsection, by striking ``After January 1, 2020,'' and all that follows through ``the Secretary, if'' and inserting ``Subject to subsection (c), beginning on the date that is 3 ***years*** after the date that the Secretary prescribes an alternate safety compliance ***program***, a fishing vessel, fish processing vessel, or fish tender vessel to which section 4502(b) of this title applies shall comply with such an alternate safety compliance ***program***, if''; (4) in subsection (a), as so redesignated, by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; (5) in subsection (b), as so redesignated, by striking ``establishes standards for an alternate safety compliance ***program***, shall comply with such an alternative safety compliance ***program*** that is developed in cooperation with the commercial fishing industry and prescribed by the Secretary'' and inserting ``prescribes an alternate safety compliance ***program*** under subsection (a), shall comply with such an alternate safety compliance ***program***''; (6) by amending subsection (c), as so redesignated, to read as follows: ``(c) For purposes of subsection (a), a separate alternate safety compliance ***program*** may be developed for a specific region or specific fishery.''; (7) in subsection (d), as so redesignated-- (A) by striking ``paragraph (1)'' and inserting ``subsection (a)''; and (B) by striking ``that paragraph'' each place it appears and inserting ``that subsection''; (8) in subsection (e), as so redesignated, by-- (A) inserting ``is not eligible to participate in an alternative safety compliance ***program*** prescribed under subsection (a) and'' after ``July 1, 2012''; and (B) redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; (9) by adding at the end the following: ``(f) For the purposes of this section, the term `built' has the meaning given that term in section 4503(f).''. (d) Clerical Amendment.--The analysis at the beginning of chapter 45 of such title is amended by inserting after the item relating to section 4503 the following ``4503a. Alternate safety compliance ***program***.''. (e) Conforming Amendment.--Section 3104 of title 46, United States Code, is amended by striking ``section 4503(e)'' and inserting ``section 4503(d)''. (f) Final Rule.--Not later than 1 ***year*** after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall issue a final rule implementing the requirements enumerated in section 4503(d) of title 46, as amended by subsection (b)(1) of this section. (g) Alternate Safety Compliance ***Program*** Status Report.-- (1) In general.--Not later than January 1, 2020, the Secretary of the department in which the Coast Guard is operating shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the status of the development of the alternate safety compliance ***program*** directed by section 4503a of title 46, United States Code, as redesignated by subsection (c). (2) Contents.--The report required under paragraph (1) shall include discussion of-- (A) steps taken in the rulemaking process to establish the alternate safety compliance ***program***; (B) communication and collaboration between the Coast Guard, the department in which the Coast Guard is operating, and the commercial fishing vessel industry regarding the development of the alternate safety compliance ***program***; (C) consideration given to developing alternate safety compliance ***programs*** for specific regions and fisheries, as authorized in section 4503a(c) of such title, as redesignated by subsection (c); (D) any identified legislative changes necessary to implement an effective alternate safety compliance ***program***; and (E) the timeline and planned actions that will be taken to implement regulations necessary to fully establish an alternate safety compliance ***program*** before January 1, 2020. SEC. 509. TERMINATION OF UNSAFE OPERATIONS; TECHNICAL CORRECTION. Section 4505(2) of title 46, United States Code, is amended-- (1) by striking ``4503(1)'' and inserting ``4503(a)(2)''; and (2) by inserting before the period the following: ``, except that this paragraph shall not apply with respect to a vessel to which section 4503a applies''. SEC. 510. TECHNICAL CORRECTIONS: LICENSES, CERTIFICATES OF REGISTRY, AND MERCHANT MARINER DOCUMENTS. Title 46, United States Code, is amended-- (1) in section 7106(b), by striking ``merchant mariner's document,'' and inserting ``license,''; (2) in section 7107(b), by striking ``merchant mariner's document,'' and inserting ``certificate of registry,''; (3) in section 7507(b)(1), by striking ``licenses or certificates of registry'' and inserting ``merchant mariner documents''; and (4) in section 7507(b)(2) by striking ``merchant mariner's document.'' and inserting ``license or certificate of registry.''. SEC. 511. CLARIFICATION OF LOGBOOK ENTRIES. (a) In General.--Section 11304 of title 46, United States Code, is amended-- (1) in subsection (a), by striking ``an official logbook, which'' and inserting ``a logbook, which may be in any form, including electronic, and''; and (2) in subsection (b), by amending paragraph (3) to read as follows: ``(3) Each illness of, and injury to, a seaman of the vessel, the nature of the illness or [[Page S6996]] injury, and the medical treatment provided for the injury or illness.''. (b) Technical Amendment.--Section 11304(b) is amended by striking ``log book'' and inserting ``logbook''. SEC. 512. CERTIFICATES OF DOCUMENTATION FOR RECREATIONAL VESSELS. Section 12105 of title 46, United States Code, is amended by adding at the end the following: ``(e) Effective Period.-- ``(1) In general.--Except as provided in paragraphs (2) and (3), a certificate of documentation issued under this part is valid for a 1-***year*** period and may be renewed for additional 1-***year*** periods. ``(2) Recreational vessels.-- ``(A) In general.--A certificate of documentation for a recreational vessel and the renewal of such a certificate shall be effective for a 5-***year*** period. ``(B) Phase-in period.--During the period beginning January 1, 2019, and ending December 31, 2021, the owner or operator of a recreational vessel may choose a period of effectiveness of between 1 and 5 ***years*** for such a certificate of documentation for such vessel or the renewal thereof. ``(C) Fees.-- ``(i) Requirement.--The Secretary shall assess and collect a fee-- ``(I) for the issuance of a certificate of documentation for a recreational vessel that is equivalent to the fee established for the issuance of a certificate of documentation under section 2110; and ``(II) for the renewal of a certificate of documentation for a recreational vessel that is equivalent to the number of ***years*** of effectiveness of the certificate of documentation multiplied by the fee established for the renewal of a certificate of documentation under section 2110. ``(ii) Treatment.--Fees collected under this subsection-- ``(I) shall be credited to the account from which the costs of such issuance or renewal were paid; and ``(II) may remain available until expended. ``(3) Notice of change in information.-- ``(A) Requirement.--The owner of a vessel shall notify the Coast Guard of each change in the information on which the issuance of the certificate of documentation for the vessel is based that occurs before the expiration of the certificate under this subsection, by not later than 30 days after such change. ``(B) Termination of certificate.--The certificate of documentation for a vessel shall terminate upon the expiration of such 30-day period if the owner has not notified the Coast Guard of such change before the end of such period. ``(4) State and local authority to remove abandoned and derelict vessels.--Nothing in this section shall be construed to limit the authority of a State or local authority from taking action to remove an abandoned or derelict vessel.''. SEC. 513. NUMBERING FOR UNDOCUMENTED BARGES. Section 12301(b) of title 46, United States Code, is amended-- (1) by striking ``shall'' and inserting ``may''; and (2) by inserting ``of'' after ``barge''. SEC. 514. BACKUP NATIONAL TIMING SYSTEM. (a) Short Title.--This section may be cited as the ``National Timing Resilience and Security Act of 2018''. (b) In General.--Chapter 30 of title 49, United States Code, is amended by adding at the end the following: ``Sec. 312. Alternative timing system ``(a) In General.--Subject to the availability of appropriations, the Secretary of Transportation shall provide for the establishment, sustainment, and operation of a land- based, resilient, and reliable alternative timing system-- ``(1) to reduce critical dependencies and provide a complement to and backup for the timing component of the Global Positioning System (referred to in this section as `GPS'); and ``(2) to ensure the availability of uncorrupted and non- degraded timing signals for military and civilian users in the event that GPS timing signals are corrupted, degraded, unreliable, or otherwise unavailable. ``(b) Establishment of Requirements.-- ``(1) In general.--Not later than 180 days after the date of enactment of the National Timing Resilience and Security Act of 2018, the Secretary of Transportation shall establish requirements for the procurement of the system required by subsection (a) as a complement to and backup for the timing component of GPS in accordance with the timing requirements study required by section 1618 of the National Defense Authorization Act for Fiscal ***Year*** 2017 (Public Law 114-328; 130 Stat. 2595). ``(2) Requirements.--The Secretary of Transportation shall ensure, to the maximum extent practicable, that the system established under subsection (a) will-- ``(A) be wireless; ``(B) be terrestrial; ``(C) provide wide-area coverage; ``(D) be synchronized with coordinated universal time; ``(E) be resilient and extremely difficult to disrupt or degrade; ``(F) be able to penetrate underground and inside buildings; ``(G) be capable of deployment to remote locations; ``(H) be developed, constructed, and operated incorporating applicable private sector expertise; ``(I) work in concert with and complement any other similar positioning, navigation, and timing systems, including enhanced long-range navigation systems and Nationwide Differential GPS systems; ``(J) be available for use by Federal and non-Federal government agencies for public purposes at no net cost to the Federal Government within 10 ***years*** of initiation of operation; ``(K) be capable of adaptation and expansion to provide position and navigation capabilities; ``(L) incorporate the recommendations from any GPS back-up demonstration ***program*** initiated and completed by the Secretary, in coordination with other Federal agencies, before the date specified in subsection (c)(1); and ``(M) incorporate such other elements as the Secretary considers appropriate. ``(c) Implementation Plan.-- ``(1) Plan required.--Not later than 180 days after the date of enactment of the National Timing Resilience and Security Act of 2018, the Secretary of Transportation shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report setting forth the following: ``(A) A plan to develop, construct, and operate the system required by subsection (a). ``(B) A description and assessment of the advantages of a system to provide a follow-on complementary and backup positioning and navigation capability to the timing component of GPS. ``(2) Deadline for commencement of operation.--The system required by subsection (a) shall be in operation by not later than 2 ***years*** after the date of enactment of the National Timing Resilience and Security Act of 2018. ``(3) Minimum duration of operational capability.--The system required by subsection (a) shall be designed to be fully operational for not less than 20 ***years***. ``(d) LORAN Facilities.-- ``(1) In general.--If the Secretary of Transportation determines that any LORAN infrastructure, including the underlying real property and any spectrum associated with LORAN, in the possession of the Coast Guard is required by the Department of Transportation for the purpose of establishing the system required by subsection (a), the Commandant shall ***transfer*** such property, spectrum, and equipment to the Secretary. ``(2) CERCLA not affected.--This subsection shall not be construed to limit the application of or otherwise affect section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C 9620(h)) with respect to the Federal Government facilities described in paragraph (1). ``(e) Cooperative Agreement.-- ``(1) In general.--The Secretary of Transportation may enter into a cooperative agreement (as that term is described in section 6305 of title 31) with an entity upon such terms and conditions as the Secretary of Transportation determines will fulfill the purpose and requirements of this section and be in the public interest. ``(2) Requirements.--The cooperative agreement under paragraph (1) shall, at a minimum, require the Secretary of Transportation to-- ``(A) authorize the entity to sell timing and other services to commercial and non-commercial third parties, subject to any national security requirements determined by the Secretary, in consultation with the Secretary of Defense; ``(B) require the entity to develop, construct, and operate at private expense the backup timing system in accordance with this section; ``(C) allow the entity to make any investments in technologies necessary over the life of such agreement to meet future requirements for advanced timing resilience and technologies; ``(D) require the entity to share 25 percent of the gross proceeds received by the entity from the sale of timing services to third parties with the Secretary for at least 10 ***years*** after the date upon which the Secretary enters into the cooperative agreement; ``(E) require the entity-- ``(i) to assume all financial risk for the completion and operational capability of the system, after the Secretary provides any LORAN facilities necessary for the system under subsection (d), if required for the alternative timing system; and ``(ii) to furnish performance and ***payment*** bonds in connection with the system in a reasonable amount as determined by the Secretary; and ``(F) require the entity to make any investments in technologies necessary over the life of the agreement to meet future requirements for advanced timing resiliency. ``(3) Competition required.--The Secretary shall use competitive procedures similar to those authorized under section 2667 of title 10 in selecting an entity to enter into a cooperative agreement pursuant to this subsection. ``(4) Authorization to purchase services.--The Secretary may not purchase timing system services from the entity for use by the Department of Transportation or for provision to other Federal and non-Federal governmental agencies until the system achieves operational status, and then only if the necessary funds for such purchases are provided for in subsequent ***yearly*** appropriations acts made available to the Secretary [[Page S6997]] for each and every ***year*** in which such purchases are made. ``(5) Determination requirement.--The Secretary may not enter into a cooperative agreement under this subsection unless the Secretary determines that the cooperative agreement is in the best financial interest of the Federal Government. The Secretary shall notify the Committee on Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives of such determination not later than 30 days after the date of the determination. ``(6) Definition.--In this subsection the term `entity' means a non-Federal entity with the demonstrated technical expertise and requisite administrative and financial resources to meet any terms and conditions established by the Secretary for purposes of this subsection.''. (c) Table of Contents.--The table of contents for chapter 3 of title 49, United States Code, is amended by adding at the end the following: ``312. Alternative timing system.''. SEC. 515. SCIENTIFIC PERSONNEL. Section 2101(41) of title 46, United States Code, is amended-- (1) by inserting ``(A) Subject to subparagraph (B),'' before the text; and (2) by adding at the end the following: ``(B)(i) Such term includes an individual who is on board an oceanographic research vessel only to-- ``(I) engage in scientific research; ``(II) instruct in oceanography or limnology; or ``(III) receive instruction in oceanography or limnology. ``(ii) For purposes of clause (i), the age of an individual may not be considered in determining whether the individual is described in such clause.''. SEC. 516. TRANSPARENCY. (a) In General.--The Commandant of the Coast Guard shall publish any letter of determination issued by the Coast Guard National Vessel Documentation Center after the date of the enactment of this Act on the National Vessel Documentation Center website not later than 30 days after the date of issuance of such letter of determination. (b) Audit.-- (1) In general.--The Comptroller General of the United States shall conduct an audit, the results of which shall be made publicly available, of-- (A) the method or process by which the Coast Guard National Vessel Documentation Center develops policy for and documents compliance with the requirements of section 67.97 of title 46, Code of Federal Regulations, for the purpose of issuing endorsements under section 12112 and 12113 of title 46, United States Code; (B) the coordination between the Coast Guard and U.S Customs and Border Protection with respect to the enforcement of such requirements; and (C) the extent to which the Secretary of the department in which the Coast Guard is operating and the Secretary of Transportation, through the Maritime Administration, have published and disseminated information to promote compliance with applicable vessel construction requirements. (2) Report.--Not later than 90 days after the audit under paragraph (1) is complete, the Comptroller General of the United States shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report regarding the results of and recommendations made pursuant to such audit. (c) Outline.--Not later than 180 days after the date of the submission of the Comptroller General of the United States report required under subsection (b), the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives an outline of plans-- (1) to enhance the transparency of the documentation process, and communications with the maritime industry regarding such process over the next 5 ***years***; and (2) to implement the recommendations made by the Comptroller General of the United States in the report required under subsection (b)(2). TITLE VI--ADVISORY COMMITTEES SEC. 601. NATIONAL MARITIME TRANSPORTATION ADVISORY COMMITTEES. (a) In General.--Subtitle II of title 46, United States Code, is amended by adding at the end the following: ``PART K--NATIONAL MARITIME TRANSPORTATION ADVISORY COMMITTEES ``CHAPTER 151--NATIONAL MARITIME TRANSPORTATION ADVISORY COMMITTEES ``Sec. ``15101. National Chemical Transportation Safety Advisory Committee. ``15102. National Commercial Fishing Safety Advisory Committee. ``15103. National Merchant Marine Personnel Advisory Committee. ``15104. National Merchant Mariner Medical Advisory Committee. ``15105. National Boating Safety Advisory Committee. ``15106. National Offshore Safety Advisory Committee. ``15107. National Navigation Safety Advisory Committee. ``15108. National Towing Safety Advisory Committee. ``15109. Administration. ``Sec. 15101. National Chemical Transportation Safety Advisory Committee ``(a) Establishment.--There is established a National Chemical Transportation Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to the safe and secure marine transportation of hazardous materials. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of not more than 25 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Each member of the Committee shall represent 1 of the following: ``(A) Chemical manufacturing entities. ``(B) Entities related to marine handling or transportation of chemicals. ``(C) Vessel design and construction entities. ``(D) Marine safety or security entities. ``(E) Marine environmental protection entities. ``(4) Distribution.--The Secretary shall, based on the needs of the Coast Guard, determine the number of members of the Committee who represent each entity specified in paragraph (3). Neither this paragraph nor any other provision of law shall be construed to require an equal distribution of members representing each entity specified in paragraph (3). ``Sec. 15102. National Commercial Fishing Safety Advisory Committee ``(a) Establishment.--There is established a National Commercial Fishing Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall-- ``(1) advise the Secretary on matters relating to the safe operation of vessels to which chapter 45 of this title applies, including the matters of-- ``(A) navigation safety; ``(B) safety equipment and procedures; ``(C) marine insurance; ``(D) vessel design, construction, maintenance, and operation; and ``(E) personnel qualifications and training; and ``(2) review regulations proposed under chapter 45 of this title (during preparation of the regulations). ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 18 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 10 members shall represent the commercial fishing industry and-- ``(i) as a group, shall together reflect a regional and representational balance; and ``(ii) as individuals, shall each have experience-- ``(I) in the operation of vessels to which chapter 45 of this title applies; or ``(II) as a crew member or processing line worker on a fish processing vessel. ``(B) 1 member shall represent naval architects and marine engineers. ``(C) 1 member shall represent manufacturers of equipment for vessels to which chapter 45 of this title applies. ``(D) 1 member shall represent education and training professionals related to fishing vessel, fish processing vessel, and fish tender vessel safety and personnel qualifications. ``(E) 1 member shall represent underwriters that insure vessels to which chapter 45 of this title applies. ``(F) 1 member shall represent owners of vessels to which chapter 45 of this title applies. ``(G) 3 members shall represent the general public and, to the extent possible, shall include-- ``(i) an independent expert or consultant in maritime safety; ``(ii) a marine surveyor who provides services to vessels to which chapter 45 of this title applies; and ``(iii) a person familiar with issues affecting fishing communities and the families of fishermen. ``Sec. 15103. National Merchant Marine Personnel Advisory Committee ``(a) Establishment.--There is established a National Merchant Marine Personnel Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to personnel in the United States merchant marine, including the training, qualifications, certification, documentation, and fitness of mariners. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 19 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, [[Page S6998]] knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 9 members shall represent mariners and, of the 9-- ``(i) each shall-- ``(I) be a citizen of the United States; and ``(II) hold an active license or certificate issued under chapter 71 of this title or a merchant mariner document issued under chapter 73 of this title; ``(ii) 3 shall be deck officers who represent merchant marine deck officers and, of the 3-- ``(I) 2 shall be licensed for oceans any gross tons; ``(II) 1 shall be licensed for inland river route with a limited or unlimited tonnage; ``(III) 2 shall have a master's license or a master of towing vessels license; ``(IV) 1 shall have significant tanker experience; and ``(V) to the extent practicable-- ``(aa) 1 shall represent labor; and ``(bb) 1 shall represent management; ``(iii) 3 shall be engineering officers who represent merchant marine engineering officers and, of the 3-- ``(I) 2 shall be licensed as chief engineer any horsepower; ``(II) 1 shall be licensed as either a limited chief engineer or a designated duty engineer; and ``(III) to the extent practicable-- ``(aa) 1 shall represent labor; and ``(bb) 1 shall represent management; ``(iv) 2 shall be unlicensed seamen who represent merchant marine unlicensed seaman and, of the 2-- ``(I) 1 shall represent able-bodied seamen; and ``(II) 1 shall represent qualified members of the engine department; and ``(v) 1 shall be a pilot who represents merchant marine pilots. ``(B) 6 members shall represent marine educators and, of the 6-- ``(i) 3 shall be marine educators who represent maritime academies and, of the 3-- ``(I) 2 shall represent State maritime academies (and are jointly recommended by such academies); and ``(II) 1 shall represent either State maritime academies or the United States Merchant Marine Academy; and ``(ii) 3 shall be marine educators who represent other maritime training institutions and, of the 3, 1 shall represent the small vessel industry. ``(C) 2 members shall represent shipping companies employed in ship operation management. ``(D) 2 members shall represent the general public. ``Sec. 15104. National Merchant Mariner Medical Advisory Committee ``(a) Establishment.--There is established a National Merchant Mariner Medical Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to-- ``(1) medical certification determinations for the issuance of licenses, certification of registry, and merchant mariners' documents with respect to merchant mariners; ``(2) medical standards and guidelines for the physical qualifications of operators of commercial vessels; ``(3) medical examiner education; and ``(4) medical research. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 14 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 9 shall represent health-care professionals and have particular expertise, knowledge, and experience regarding the medical examinations of merchant mariners or occupational medicine. ``(B) 5 shall represent professional mariners and have particular expertise, knowledge, and experience in occupational requirements for mariners. ``Sec. 15105. National Boating Safety Advisory Committee ``(a) Establishment.--There is established a National Boating Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to national boating safety. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 21 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 7 members shall represent State officials responsible for State boating safety ***programs***. ``(B) 7 members shall represent recreational vessel and associated equipment manufacturers. ``(C) 7 members shall represent the general public or national recreational boating organizations and, of the 7, at least 5 shall represent national recreational boating organizations. ``Sec. 15106. National Offshore Safety Advisory Committee ``(a) Establishment.--There is established a National Offshore Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to activities directly involved with, or in support of, the exploration of offshore mineral and energy resources, to the extent that such matters are within the jurisdiction of the Coast Guard. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 15 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 2 members shall represent entities engaged in the production of petroleum. ``(B) 2 members shall represent entities engaged in offshore drilling. ``(C) 2 members shall represent entities engaged in the support, by offshore supply vessels or other vessels, of offshore mineral and oil operations, including geophysical services. ``(D) 1 member shall represent entities engaged in the construction of offshore exploration and recovery facilities. ``(E) 1 member shall represent entities engaged in diving services related to offshore construction, inspection, and maintenance. ``(F) 1 member shall represent entities engaged in safety and training services related to offshore exploration and construction. ``(G) 1 member shall represent entities engaged in pipelaying services related to offshore construction. ``(H) 2 members shall represent individuals employed in offshore operations and, of the 2, 1 shall have recent practical experience on a vessel or offshore unit involved in the offshore mineral and energy industry. ``(I) 1 member shall represent national environmental entities. ``(J) 1 member shall represent deepwater ports. ``(K) 1 member shall represent the general public (but not a specific environmental group). ``Sec. 15107. National Navigation Safety Advisory Committee ``(a) Establishment.--There is established a National Navigation Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to maritime collisions, rammings, and groundings, Inland Rules of the Road, International Rules of the Road, navigation regulations and equipment, routing measures, marine information, and aids to navigation systems. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of not more than 21 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Each member of the Committee shall represent 1 of the following: ``(A) Commercial vessel owners or operators. ``(B) Professional mariners. ``(C) Recreational boaters. ``(D) The recreational boating industry. ``(E) State agencies responsible for vessel or port safety. ``(F) The Maritime Law Association. ``(4) Distribution.--The Secretary shall, based on the needs of the Coast Guard, determine the number of members of the Committee who represent each entity specified in paragraph (3). Neither this paragraph nor any other provision of law shall be construed to require an equal distribution of members representing each entity specified in paragraph (3). ``Sec. 15108. National Towing Safety Advisory Committee ``(a) Establishment.--There is established a National Towing Safety Advisory Committee (in this section referred to as the `Committee'). ``(b) Function.--The Committee shall advise the Secretary on matters relating to shallow-draft inland navigation, coastal waterway navigation, and towing safety. ``(c) Membership.-- ``(1) In general.--The Committee shall consist of 18 members appointed by the Secretary in accordance with this section and section 15109 of this chapter. ``(2) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(3) Representation.--Members of the Committee shall be appointed as follows: ``(A) 7 members shall represent the barge and towing industry, reflecting a regional geographic balance. ``(B) 1 member shall represent the offshore mineral and oil supply vessel industry. ``(C) 1 member shall represent masters and pilots of towing vessels who hold active licenses and have experience on the Western Rivers and the Gulf Intracoastal Waterway. [[Page S6999]] ``(D) 1 member shall represent masters of towing vessels in offshore service who hold active licenses. ``(E) 1 member shall represent masters of active ship- docking or harbor towing vessels. ``(F) 1 member shall represent licensed and unlicensed towing vessel engineers with formal training and experience. ``(G) 2 members shall represent port districts, authorities, or terminal operators. ``(H) 2 members shall represent shippers and, of the 2, 1 shall be engaged in the shipment of oil or hazardous materials by barge. ``(I) 2 members shall represent the general public. ``Sec. 15109. Administration ``(a) Meetings.--Each committee established under this chapter shall, at least once each ***year***, meet at the call of the Secretary or a majority of the members of the committee. ``(b) Employee Status.--A member of a committee established under this chapter shall not be considered an employee of the Federal Government by reason of service on such committee, except for the purposes of the following: ``(1) Chapter 81 of title 5. ``(2) Chapter 171 of title 28 and any other Federal law relating to tort liability. ``(c) Compensation.--Notwithstanding subsection (b), a member of a committee established under this chapter, when actually engaged in the performance of the duties of such committee, may-- ``(1) receive compensation at a rate established by the Secretary, not to exceed the maximum daily rate payable under section 5376 of title 5; or ``(2) if not compensated in accordance with paragraph (1)-- ``(A) be reimbursed for actual and reasonable expenses incurred in the performance of such duties; or ``(B) be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5. ``(d) Acceptance of Volunteer Services.--A member of a committee established under this chapter may serve on such committee on a voluntary basis without pay without regard to section 1342 of title 31 or any other law. ``(e) Status of Members.-- ``(1) In general.--Except as provided in paragraph (2), with respect to a member of a committee established under this chapter whom the Secretary appoints to represent an entity or group-- ``(A) the member is authorized to represent the interests of the applicable entity or group; and ``(B) requirements under Federal law that would interfere with such representation and that apply to a special Government employee (as defined in section 202(a) of title 18), including requirements relating to employee conduct, political activities, ethics, conflicts of interest, and corruption, do not apply to the member. ``(2) Exception.--Notwithstanding subsection (b), a member of a committee established under this chapter shall be treated as a special Government employee for purposes of the committee service of the member if-- ``(A) the Secretary appointed the member to represent the general public; or ``(B) the member, without regard to service on the committee, is a special Government employee. ``(f) Service on Committee.-- ``(1) Solicitation of nominations.--Before appointing an individual as a member of a committee established under this chapter, the Secretary shall publish, in the Federal Register, a timely notice soliciting nominations for membership on such committee. ``(2) Appointments.-- ``(A) In general.--After considering nominations received pursuant to a notice published under paragraph (1), the Secretary may, as necessary, appoint a member to the applicable committee established under this chapter. ``(B) Prohibition.--The Secretary shall not seek, consider, or otherwise use information concerning the political affiliation of a nominee in making an appointment to any committee established under this chapter. ``(3) Service at pleasure of the secretary.-- ``(A) In general.--Each member of a committee established under this chapter shall serve at the pleasure of the Secretary. ``(B) Exception.--Notwithstanding subparagraph (A), a member of the committee established under section 15102 may only be removed prior to the end of the term of that member for just cause. ``(4) Security background examinations.--The Secretary may require an individual to have passed an appropriate security background examination before appointment to a committee established under this chapter. ``(5) Prohibition.-- ``(A) In general.--Except as provided in subparagraph (B), a Federal employee may not be appointed as a member of a committee established under this chapter. ``(B) Special rule for national merchant marine personnel advisory committee.--The Secretary may appoint a Federal employee to serve as a member of the National Merchant Marine Personnel Advisory Committee to represent the interests of the United States Merchant Marine Academy and, notwithstanding paragraphs (1) and (2), may do so without soliciting, receiving, or considering nominations for such appointment. ``(6) Terms.-- ``(A) In general.--The term of each member of a committee established under this chapter shall expire on December 31 of the third full ***year*** after the effective date of the appointment. ``(B) Continued service after term.--When the term of a member of a committee established under this chapter ends, the member, for a period not to exceed 1 ***year***, may continue to serve as a member until a successor is appointed. ``(7) Vacancies.--A vacancy on a committee established under this chapter shall be filled in the same manner as the original appointment. ``(8) Special rule for reappointments.--Notwithstanding paragraphs (1) and (2), the Secretary may reappoint a member of a committee established under this chapter for any term, other than the first term of the member, without soliciting, receiving, or considering nominations for such appointment. ``(g) Staff Services.--The Secretary shall furnish to each committee established under this chapter any staff and services considered by the Secretary to be necessary for the conduct of the committee's functions. ``(h) Chairman; Vice Chairman.-- ``(1) In general.--Each committee established under this chapter shall elect a Chairman and Vice Chairman from among the committee's members. ``(2) Vice chairman acting as chairman.--The Vice Chairman shall act as Chairman in the absence or incapacity of, or in the event of a vacancy in the office of, the Chairman. ``(i) Subcommittees and Working Groups.-- ``(1) In general.--The Chairman of a committee established under this chapter may establish and disestablish subcommittees and working groups for any purpose consistent with the function of the committee. ``(2) Participants.--Subject to conditions imposed by the Chairman, members of a committee established under this chapter and additional persons drawn from entities or groups designated by this chapter to be represented on the committee or the general public may be assigned to subcommittees and working groups established under paragraph (1). ``(3) Chair.--Only committee members may chair subcommittees and working groups established under paragraph (1). ``(j) Consultation, Advice, Reports, and Recommendations.-- ``(1) Consultation.-- ``(A) In general.--Before taking any significant action, the Secretary shall consult with, and consider the information, advice, and recommendations of, a committee established under this chapter if the function of the committee is to advise the Secretary on matters related to the significant action. ``(B) Inclusion.--For purposes of this paragraph, regulations proposed under chapter 45 of this title are significant actions. ``(2) Advice, reports, and recommendations.--Each committee established under this chapter shall submit, in writing, to the Secretary its advice, reports, and recommendations, in a form and at a frequency determined appropriate by the committee. ``(3) Explanation of actions taken.--Not later than 60 days after the date on which the Secretary receives recommendations from a committee under paragraph (2), the Secretary shall-- ``(A) publish the recommendations on a website accessible at no charge to the public; ``(B) if the recommendations are from the committee established under section 15102, establish a mechanism for the submission of public comments on the recommendations; and ``(C) respond, in writing, to the committee regarding the recommendations, including by providing an explanation of actions taken regarding the recommendations. ``(4) Submission to congress.-- ``(A) In general.--The Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate the advice, reports, and recommendations received from committees under paragraph (2). ``(B) Additional submission.--With respect to a committee established under section 70112 and to which this section applies, the Secretary shall submit the advice, reports, and recommendations received from the committee under paragraph (2) to the Committee on Homeland Security of the House of Representatives in addition to the committees specified in subparagraph (A). ``(k) Observers.--Any Federal agency with matters under such agency's administrative jurisdiction related to the function of a committee established under this chapter may designate a representative to-- ``(1) attend any meeting of such committee; and ``(2) participate as an observer at meetings of such committee that relate to such a matter. ``(l) Termination.--Each committee established under this chapter shall terminate on September 30, 2027.''. (b) Clerical Amendment.--The analysis for subtitle II of title 46, United States Code, is amended by inserting after the item relating to chapter 147 the following: ``Part K-National Maritime Transportation Advisory Committees ``151. National Maritime Transportation Advisory Committees15101''..... (c) Conforming Amendments.-- (1) Commercial fishing safety advisory committee.--Section 4508 of title 46, United [[Page S7000]] States Code, and the item relating to that section in the analysis for chapter 45 of that title, are repealed. (2) Merchant mariner medical advisory committee.--Section 7115 of title 46, United States Code, and the item relating to that section in the analysis for chapter 71 of that title, are repealed. (3) Merchant marine personnel advisory committee.-- (A) Repeal.--Section 8108 of title 46, United States Code, and the item relating to that section in the analysis for chapter 81 of that title, are repealed. (B) Conforming amendment.--Section 7510(c)(1)(C) of title 46, United States Code, is amended by inserting ``National'' before ``Merchant Marine''. (4) National boating safety advisory council.-- (A) Repeal.--Section 13110 of title 46, United States Code, and the item relating to that section in the analysis for chapter 131 of that title, are repealed. (B) Conforming amendments.-- (i) Regulations.--Section 4302(c)(4) of title 46, United States Code, is amended by striking ``Council established under section 13110 of this title'' and inserting ``Committee established under section 15105 of this title''. (ii) Repair and replacement of defects.--Section 4310(f) of title 46, United States Code, is amended by striking ``Advisory Council'' and inserting ``Advisory Committee''. (5) Navigation safety advisory council.--Section 5 of the Inland Navigational Rules Act of 1980 (33 U.S.C 2073) is repealed. (6) Towing safety advisory committee.-- (A) Repeal.--Public Law 96-380 (33 U.S.C 1231a) is repealed. (B) Conforming amendments.-- (i) Reduction of oil spills from single hull non-self- propelled tank vessels.--Section 3719 of title 46, United States Code, is amended by inserting ``National'' before ``Towing Safety''. (ii) Safety equipment.--Section 4102(f)(1) of title 46, United States Code, is amended by inserting ``National'' before ``Towing Safety''. (d) Treatment of Existing Councils and Committees.-- Notwithstanding any other provision of law-- (1) an advisory council or committee substantially similar to an advisory committee established under chapter 151 of title 46, United States Code, as added by this Act, and that was in force or in effect on the day before the date of enactment of this section, including a council or committee the authority for which was repealed under subsection (c), may remain in force or in effect for a period of 2 ***years*** from the date of enactment of this section, including that the charter, membership, and other aspects of the council or committee may remain in force or in effect; and (2) during the 2-***year*** period referenced in paragraph (1)-- (A) requirements relating to the applicable advisory committee established under chapter 151 of title 46, United States Code, shall be treated as satisfied by the substantially similar advisory council or committee; and (B) the enactment of this section, including the amendments made in this section, shall not be the basis-- (i) to deem, find, or declare such council or committee, including the charter, membership, and other aspects thereof, void, not in force, or not in effect; (ii) to suspend the activities of such council or committee; or (iii) to bar the members of such council or committee from meeting. SEC. 602. MARITIME SECURITY ADVISORY COMMITTEES. (a) In General.--Section 70112 of title 46, United States Code, is amended to read as follows: ``Sec. 70112. Maritime Security Advisory Committees ``(a) National Maritime Security Advisory Committee.-- ``(1) Establishment.--There is established a National Maritime Security Advisory Committee (in this subsection referred to as the `Committee'). ``(2) Function.--The Committee shall advise the Secretary on matters relating to national maritime security, including on enhancing the sharing of information related to cybersecurity risks that may cause a transportation security incident, between relevant Federal agencies and-- ``(A) State, local, and tribal governments; ``(B) relevant public safety and emergency response agencies; ``(C) relevant law enforcement and security organizations; ``(D) maritime industry; ``(E) port owners and operators; and ``(F) terminal owners and operators. ``(3) Membership.-- ``(A) In general.--The Committee shall consist of at least 8 members, but not more than 21 members, appointed by the Secretary in accordance with this subsection and section 15109 of this title. ``(B) Expertise.--Each member of the Committee shall have particular expertise, knowledge, and experience in matters relating to the function of the Committee. ``(C) Representation.--Each of the following shall be represented by at least 1 member of the Committee: ``(i) Port authorities. ``(ii) Facilities owners and operators. ``(iii) Terminal owners and operators. ``(iv) Vessel owners and operators. ``(v) Maritime labor organizations. ``(vi) The academic community. ``(vii) State and local governments. ``(viii) The maritime industry. ``(D) Distribution.--If the Committee consists of at least 8 members who, together, satisfy the minimum representation requirements of subparagraph (C), the Secretary shall, based on the needs of the Coast Guard, determine the number of additional members of the Committee who represent each entity specified in that subparagraph. Neither this subparagraph nor any other provision of law shall be construed to require an equal distribution of members representing each entity specified in subparagraph (C). ``(4) Administration.--For purposes of section 15109 of this title, the Committee shall be treated as a committee established under chapter 151 of such title. ``(b) Area Maritime Security Advisory Committees.-- ``(1) In general.-- ``(A) Establishment.--The Secretary may-- ``(i) establish an Area Maritime Security Advisory Committee for any port area of the United States; and ``(ii) request such a committee to review the proposed Area Maritime Transportation Security Plan developed under section 70103(b) and make recommendations to the Secretary that the committee considers appropriate. ``(B) Additional functions and meetings.--A committee established under this subsection for an area-- ``(i) may advise, consult with, report to, and make recommendations to the Secretary on matters relating to maritime security in that area; ``(ii) may make available to the Congress recommendations that the committee makes to the Secretary; and ``(iii) shall meet at the call of-- ``(I) the Secretary, who shall call such a meeting at least once during each ***calendar*** ***year***; or ``(II) a majority of the committee. ``(2) Membership.-- ``(A) In general.--Each committee established under this subsection shall consist of at least 7 members appointed by the Secretary, each of whom has at least 5 ***years*** practical experience in maritime security operations. ``(B) Terms.--The term of each member of a committee established under this subsection shall be for a period of not more than 5 ***years***, specified by the Secretary. ``(C) Notice.--Before appointing an individual to a position on a committee established under this subsection, the Secretary shall publish a notice in the Federal Register soliciting nominations for membership on the committee. ``(D) Background examinations.--The Secretary may require an individual to have passed an appropriate security background examination before appointment to a committee established under this subsection. ``(E) Representation.--Each committee established under this subsection shall be composed of individuals who represent the interests of the port industry, terminal operators, port labor organizations, and other users of the port areas. ``(3) Chairperson and vice chairperson.-- ``(A) In general.--Each committee established under this subsection shall elect 1 of the committee's members as the Chairperson and 1 of the committee's members as the Vice Chairperson. ``(B) Vice chairperson acting as chairperson.--The Vice Chairperson shall act as Chairperson in the absence or incapacity of the Chairperson, or in the event of a vacancy in the office of the Chairperson. ``(4) Observers.-- ``(A) In general.--The Secretary shall, and the head of any other interested Federal agency may, designate a representative to participate as an observer with a committee established under this subsection. ``(B) Role.--The Secretary's designated representative to a committee established under this subsection shall act as the executive secretary of the committee and shall perform the duties set forth in section 10(c) of the Federal Advisory Committee Act (5 U.S.C App.). ``(5) Consideration of views.--The Secretary shall consider the information, advice, and recommendations of each committee established under this subsection in formulating policy regarding matters affecting maritime security. ``(6) Compensation and expenses.-- ``(A) In general.--A member of a committee established under this subsection, when attending meetings of the committee or when otherwise engaged in the business of the committee, is entitled to receive-- ``(i) compensation at a rate fixed by the Secretary, not exceeding the daily equivalent of the current rate of basic pay in effect for GS-15 of the General Schedule under section 5332 of title 5 including travel time; and ``(ii) travel or transportation expenses under section 5703 of title 5. ``(B) Status.--A member of a committee established under this subsection shall not be considered to be an officer or employee of the United States for any purpose based on the receipt of any ***payment*** under this paragraph. ``(7) FACA.--The Federal Advisory Committee Act (5 U.S.C App.) does not apply to [[Page S7001]] a committee established under this subsection.''. (b) Treatment of Existing Committee.--Notwithstanding any other provision of law-- (1) an advisory committee substantially similar to the National Maritime Security Advisory Committee established under section 70112(a) of title 46, United States Code, as amended by this section, and that was in force or in effect on the day before the date of enactment of this section, may remain in force or in effect for a period of 2 ***years*** from the date of enactment of this section, including that the charter, membership, and other aspects of the committee may remain in force or in effect; and (2) during the 2-***year*** period referenced in paragraph (1)-- (A) requirements relating to the National Maritime Security Advisory Committee established under section 70112(a) of title 46, United States Code, as amended by this section, shall be treated as satisfied by the substantially similar advisory committee; and (B) the enactment of this section, including the amendments made in this section, shall not be the basis-- (i) to deem, find, or declare such committee, including the charter, membership, and other aspects thereof, void, not in force, or not in effect; (ii) to suspend the activities of such committee; or (iii) to bar the members of such committee from meeting. TITLE VII--FEDERAL MARITIME COMMISSION SEC. 701. SHORT TITLE. This title may be cited as the ``Federal Maritime Commission Authorization Act of 2017''. SEC. 702. AUTHORIZATION OF APPROPRIATIONS. Section 308 of title 46, United States Code, is amended by striking ``$24,700,000 for each of fiscal ***years*** 2016 and 2017'' and inserting ``$28,012,310 for fiscal ***year*** 2018 and $28,544,543 for fiscal ***year*** 2019''. SEC. 703. REPORTING ON IMPACT OF ALLIANCES ON COMPETITION. Section 306 of title 46, United States Code, is amended-- (1) in subsection (b)-- (A) in paragraph (4), by striking ``; and'' and inserting a semicolon; (B) in paragraph (5), by striking the period at the end and inserting ``; and''; and (C) by adding at the end the following: ``(6) an analysis of the impacts on competition for the purchase of certain covered services by alliances of ocean common carriers acting pursuant to an agreement under this part between or among ocean common carriers, including a summary of actions, including corrective actions, taken by the Commission to promote such competition.''; and (2) by adding at the end the following: ``(c) Definition of Certain Covered Services.--In this section, the term `certain covered services' has the meaning given the term in section 40102.''. SEC. 704. DEFINITION OF CERTAIN COVERED SERVICES. Section 40102 of title 46, United States Code, is amended-- (1) by redesignating paragraphs (5) through (25) as paragraphs (6) through (26), respectively; and (2) by inserting after paragraph (4), the following: ``(5) Certain covered services.--For purposes of sections 41105 and 41307, the term `certain covered services' means, with respect to a vessel-- ``(A) the berthing or bunkering of the vessel; ``(B) the loading or unloading of cargo to or from the vessel to or from a point on a wharf or terminal; ``(C) the positioning, removal, or replacement of buoys related to the movement of the vessel; and ``(D) with respect to injunctive relief under section 41307, towing vessel services provided to such a vessel.''. SEC. 705. REPORTS FILED WITH THE COMMISSION. Section 40104(a) of title 46, United States Code, is amended to read as follows: ``(a) Reports.-- ``(1) In general.--The Federal Maritime Commission may require a common carrier or marine terminal operator, or an officer, receiver, trustee, lessee, agent, or employee of the common carrier or marine terminal operator to file with the Commission a periodical or special report, an account, record, rate, or charge, or a memorandum of facts and transactions related to the business of the common carrier or marine terminal operator, as applicable. ``(2) Requirements.--Any report, account, record, rate, charge, or memorandum required to be filed under paragraph (1) shall-- ``(A) be made under oath if the Commission requires; and ``(B) be filed in the form and within the time prescribed by the Commission. ``(3) Limitation.--The Commission shall-- ``(A) limit the scope of any filing ordered under this section to fulfill the objective of the order; and ``(B) provide a reasonable period of time for respondents to respond based upon their capabilities and the scope of the order.''. SEC. 706. PUBLIC PARTICIPATION. (a) Notice of Filing.--Section 40304(a) of title 46, United States Code, is amended to read as follows: ``(a) Notice of Filing.--Not later than 7 days after the date an agreement is filed, the Federal Maritime Commission shall-- ``(1) transmit a notice of the filing to the Federal Register for publication; and ``(2) request interested persons to submit relevant information and documents.''. (b) Request for Information and Documents.--Section 40304(d) of title 46, United States Code, is amended by striking ``section'' and inserting ``part''. (c) Saving Clause.--Nothing in this section, or the amendments made by this section, may be construed-- (1) to prevent the Federal Maritime Commission from requesting from a person, at any time, any additional information or documents the Commission considers necessary to carry out chapter 403 of title 46, United States Code; (2) to prescribe a specific deadline for the submission of relevant information and documents in response to a request under section 40304(a)(2) of title 46, United States Code; or (3) to limit the authority of the Commission to request information under section 40304(d) of title 46, United States Code. SEC. 707. OCEAN TRANSPORTATION INTERMEDIARIES. (a) License Requirement.--Section 40901(a) of title 46, United States Code, is amended by inserting ``advertise, hold oneself out, or'' after ``may not''. (b) Applicability.--Section 40901 of title 46, United States Code, is amended by adding at the end the following: ``(c) Applicability.--Subsection (a) and section 40902 do not apply to a person that performs ocean transportation intermediary services on behalf of an ocean transportation intermediary for which it is a disclosed agent.''. (c) Financial Responsibility.--Section 40902(a) of title 46, United States Code, is amended by inserting ``advertise, hold oneself out, or'' after ``may not''. SEC. 708. COMMON CARRIERS. (a) Section 41104 of title 46, United States Code, is amended-- (1) in the matter preceding paragraph (1), by inserting ``(a) In General.--'' before ``A common carrier''; (2) in subsection (a), as designated-- (A) by amending paragraph (11) to read as follows: ``(11) knowingly and willfully accept cargo from or transport cargo for the account of a non-vessel-operating common carrier that does not have a tariff as required by section 40501 of this title, or an ocean transportation intermediary that does not have a bond, insurance, or other surety as required by section 40902 of this title;''; (B) in paragraph (12), by striking the period at the end and inserting ``; or''; and (C) by adding at the end the following: ``(13) continue to participate simultaneously in a rate discussion agreement and an agreement to share vessels, in the same trade, if the interplay of the authorities exercised by the specified agreements is likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost.''; and (3) by adding at the end the following: ``(b) Rule of Construction.--Notwithstanding any other provision of law, there is no private right of action to enforce the prohibition under subsection (a)(13). ``(c) Agreement Violation.--Participants in an agreement found by the Commission to violate subsection (a)(13) shall have 90 days from the date of such Commission finding to withdraw from the agreement as necessary to comply with that subsection.''. (b) Application.--Section 41104(a)(13) of title 46, United States Code, as amended, shall apply to any agreement filed or with an effective date before, on, or after the date of enactment of this Act. SEC. 709. NEGOTIATIONS. (a) Concerted Action.--Section 41105 of title 46, United States Code, is amended-- (1) by redesignating paragraphs (5) through (8) as paragraphs (7) through (10), respectively; and (2) by inserting after paragraph (4) the following: ``(5) negotiate with a tug or towing vessel service provider on any matter relating to rates or services provided within the United States by those tugs or towing vessels; ``(6) with respect to a vessel operated by an ocean common carrier within the United States, negotiate for the purchase of certain covered services, unless the negotiations and any resulting agreements are not in violation of the antitrust laws and are consistent with the purposes of this part, except that this paragraph does not prohibit the setting and publishing of a joint through rate by a conference, joint venture, or association of ocean common carriers;''. (b) Authority.--Chapter 411 of title 46, United States Code, is amended-- (1) by inserting after section 41105 the following: ``Sec. 41105A. Authority ``Nothing in section 41105, as amended by the Federal Maritime Commission Authorization Act of 2017, shall be construed to limit the authority of the Department of Justice regarding antitrust matters.''; and (2) in the analysis at the beginning of chapter 411, by inserting after the item relating to section 41105 the following: ``41105A. Authority.''. (c) Exemption.--Section 40307(b)(1) of title 46, United States Code, is amended by inserting ``tug operators,'' after ``motor carriers,''. [[Page S7002]] SEC. 710. INJUNCTIVE RELIEF SOUGHT BY THE COMMISSION. (a) In General.--Section 41307(b) of title 46, United States Code is amended-- (1) in paragraph (1) by inserting ``or to substantially lessen competition in the purchasing of certain covered services'' after ``transportation cost''; and (2) by adding at the end the following: ``(4) Competition factors.--In making a determination under this subsection regarding whether an agreement is likely to substantially lessen competition in the purchasing of certain covered services, the Commission may consider any relevant competition factors in affected markets, including, without limitation, the competitive effect of agreements other than the agreement under review.''. (b) Application.--Section 41307(b) of title 46, United States Code, as amended, shall apply to any agreement filed or with an effective date before, on, or after the date of enactment of this Act. SEC. 711. DISCUSSIONS. (a) In General.--Section 303 of title 46, United States Code, is amended to read as follows: ``Sec. 303. Meetings ``(a) In General.--The Federal Maritime Commission shall be deemed to be an agency for purposes of section 552b of title 5. ``(b) Record.--The Commission, through its secretary, shall keep a record of its meetings and the votes taken on any action, order, contract, or financial transaction of the Commission. ``(c) Nonpublic Collaborative Discussions.-- ``(1) In general.--Notwithstanding section 552b of title 5, a majority of the Commissioners may hold a meeting that is not open to public observation to discuss official agency business if-- ``(A) no formal or informal vote or other official agency action is taken at the meeting; ``(B) each individual present at the meeting is a Commissioner or an employee of the Commission; ``(C) at least 1 Commissioner from each political party is present at the meeting, if applicable; and ``(D) the General Counsel of the Commission is present at the meeting. ``(2) Disclosure of nonpublic collaborative discussions.-- Except as provided under paragraph (3), not later than 2 business days after the conclusion of a meeting under paragraph (1), the Commission shall make available to the public, in a place easily accessible to the public-- ``(A) a list of the individuals present at the meeting; and ``(B) a summary of the matters discussed at the meeting, except for any matters the Commission properly determines may be withheld from the public under section 552b(c) of title 5. ``(3) Exception.--If the Commission properly determines matters may be withheld from the public under section 555b(c) of title 5, the Commission shall provide a summary with as much general information as possible on those matters withheld from the public. ``(4) Ongoing proceedings.--If a meeting under paragraph (1) directly relates to an ongoing proceeding before the Commission, the Commission shall make the disclosure under paragraph (2) on the date of the final Commission decision. ``(5) Preservation of open meetings requirements for agency action.--Nothing in this subsection may be construed to limit the applicability of section 552b of title 5 with respect to a meeting of the Commissioners other than that described in this subsection. ``(6) Statutory construction.--Nothing in this subsection may be construed-- ``(A) to limit the applicability of section 552b of title 5 with respect to any information which is proposed to be withheld from the public under paragraph (2)(B) of this subsection; or ``(B) to authorize the Commission to withhold from any individual any record that is accessible to that individual under section 552a of title 5.''. (b) Table of Contents.--The analysis at the beginning of chapter 3 of title 46, United States Code, is amended by amending the item relating to section 303 to read as follows: ``303. Meetings.''. SEC. 712. TRANSPARENCY. (a) In General.--Beginning not later than 60 days after the date of enactment of this Act, the Federal Maritime Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives biannual reports that describe the Commission's progress toward addressing the issues raised in each unfinished regulatory proceeding, regardless of whether the proceeding is subject to a statutory or regulatory deadline. (b) Format of Reports.--Each report under subsection (a) shall, among other things, clearly identify for each unfinished regulatory proceeding-- (1) the popular title; (2) the current stage of the proceeding; (3) an abstract of the proceeding; (4) what prompted the action in question; (5) any applicable statutory, regulatory, or judicial deadline; (6) the associated docket number; (7) the date the rulemaking was initiated; (8) a date for the next action; and (9) if a date for next action identified in the previous report is not met, the reason for the delay. SEC. 713. STUDY OF BANKRUPTCY PREPARATION AND RESPONSE. (a) Study.--The Comptroller General of the United States shall conduct a study that examines the immediate aftermath of a major ocean carrier bankruptcy and its impact through the supply chain. The study shall consider any financial mechanisms that could be used to mitigate the impact of any future bankruptcy events on the supply chain. (b) Report.--No later than 1 ***year*** after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report containing the findings, conclusions, and recommendations, if any, from the study required under subsection (a). SEC. 714. AGREEMENTS UNAFFECTED. Nothing in this Act may be construed-- (1) to limit or amend the definition of ``agreement'' in section 40102(1) of title 46, United States Code, with respect to the exclusion of maritime labor agreements; or (2) to apply to a maritime labor agreement (as defined in section 40102(15) of that title). TITLE VIII--MISCELLANEOUS SEC. 801. REPEAL OF OBSOLETE REPORTING REQUIREMENT. Subsection (h) of section 888 of the Homeland Security Act of 2002 (6 U.S.C 468) is repealed. SEC. 802. CORRECTIONS TO PROVISIONS ENACTED BY COAST GUARD AUTHORIZATION ACTS. Section 604(b) of the Howard Coble Coast Guard and Maritime Transportation Act of 2014 (Public Law 113-281; 128 Stat. 3061) is amended by inserting ``and fishery endorsement'' after ``endorsement''. SEC. 803. OFFICER EVALUATION REPORT. (a) In General.--Not later than 3 ***years*** after the date of the enactment of this Act, the Commandant of the Coast Guard shall reduce lieutenant junior grade evaluation reports to the same length as an ensign or place lieutenant junior grade evaluations on an annual schedule. (b) Surveys.--Not later than 1 ***year*** after the date of the enactment of this Act, the Commandant of the Coast Guard shall conduct surveys of-- (1) outgoing promotion board members and assignment officers to determine, at a minimum-- (A) which sections of the officer evaluation report were most useful; (B) which sections of the officer evaluation report were least useful; (C) how to better reflect high performers; and (D) any recommendations for improving the officer evaluation report; and (2) at least 10 percent of the officers from each grade of officers from O1 to O6 to determine how much time each member of the rating chain spends on that member's portion of the officer evaluation report. (c) Revisions.-- (1) In general.--Not later than 4 ***years*** after the date of the completion of the surveys required by subsection (b), the Commandant of the Coast Guard shall revise the officer evaluation report, and provide corresponding directions, taking into account the requirements under paragraph (2). (2) Requirements.--In revising the officer evaluation report under paragraph (1), the Commandant shall-- (A) consider the findings of the surveys under subsection (b); (B) improve administrative efficiency; (C) reduce and streamline performance dimensions and narrative text; (D) eliminate redundancy with the officer specialty management system and any other record information systems that are used during the officer assignment or promotion process; (E) provide for fairness and equity for Coast Guard officers with regard to promotion boards, selection panels, and the assignment process; and (F) ensure officer evaluation responsibilities can be accomplished within normal working hours-- (i) to minimize any impact to officer duties; and (ii) to eliminate any need for an officer to take liberty or leave for administrative purposes. (d) Report.-- (1) In general.--Not later than 545 days after the date of the enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the findings of the surveys under subsection (b). (2) Format.--The report under paragraph (1) shall be formatted by each rank, type of board, and position, as applicable. SEC. 804. EXTENSION OF AUTHORITY. Section 404 of the Coast Guard Authorization Act of 2010 (Public Law 111-281; 124 Stat. 2950) is amended-- (1) in subsection (a), in the text preceding paragraph (1), by striking ``sections 3304, 5333, and 5753'' and inserting ``section 3304''; and (2) by striking subsection (b), and redesignating subsection (c) as subsection (b). [[Page S7003]] SEC. 805. COAST GUARD ROTC ***PROGRAM***. Not later than 1 ***year*** after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the costs and benefits of creating a Coast Guard Reserve Officers' Training Corps ***Program*** based on the other Armed Forces ***programs***. SEC. 806. CURRENCY DETECTION CANINE TEAM ***PROGRAM***. (a) Definitions.--In this section: (1) Canine currency detection team.--The term ``canine currency detection team'' means a canine and a canine handler that are trained to detect currency. (2) Secretary.--The term ``Secretary'' means the Secretary of the department in which the Coast Guard is operating. (b) Establishment.--Not later than 1 ***year*** after the date of enactment of this Act, the Secretary shall establish a ***program*** to allow the use of canine currency detection teams for purposes of Coast Guard maritime law enforcement, including underway vessel boardings. (c) Operation.--The Secretary may cooperate with, or enter into an agreement with, the head of another Federal agency to meet the requirements under subsection (b). SEC. 807. CENTER OF EXPERTISE FOR GREAT LAKES OIL SPILL SEARCH AND RESPONSE. (a) In General.--Not later than 1 ***year*** after the date of enactment of this Act, the Commandant of the Coast Guard shall establish a Center of Expertise for Great Lakes Oil Spill Preparedness and Response (referred to in this section as the ``Center of Expertise'') in accordance with section 313 of title 14, United States Code, as amended by this Act. (b) Location.--The Center of Expertise shall be located in close proximity to-- (1) critical crude oil transportation infrastructure on and connecting the Great Lakes, such as submerged pipelines and high-traffic navigation locks; and (2) an institution of higher education with adequate aquatic research laboratory facilities and capabilities and expertise in Great Lakes aquatic ecology, environmental chemistry, fish and wildlife, and water resources. (c) Functions.--The Center of Expertise shall-- (1) monitor and assess, on an ongoing basis, the current state of knowledge regarding freshwater oil spill response technologies and the behavior and effects of oil spills in the Great Lakes; (2) identify any significant gaps in Great Lakes oil spill research, including an assessment of major scientific or technological deficiencies in responses to past spills in the Great Lakes and other freshwater bodies, and seek to fill those gaps; (3) conduct research, development, testing, and evaluation for freshwater oil spill response equipment, technologies, and techniques to mitigate and respond to oil spills in the Great Lakes; (4) educate and train Federal, State, and local first responders located in Coast Guard District 9 in-- (A) the incident command system structure; (B) Great Lakes oil spill response techniques and strategies; and (C) public affairs; and (5) work with academic and private sector response training centers to develop and standardize maritime oil spill response training and techniques for use on the Great Lakes. (d) Definition.--In this section, the term ``Great Lakes'' means Lake Superior, Lake Michigan, Lake Huron, Lake Erie, and Lake Ontario. SEC. 808. PUBLIC SAFETY ANSWERING POINTS AND MARITIME SEARCH AND RESCUE COORDINATION. Not later than 180 days after the date of the enactment of this Act-- (1) the Secretary of the department in which the Coast Guard is operating acting through the Commandant of the Coast Guard shall review Coast Guard policies and procedures for public safety answering points and search-and-rescue coordination with State and local law enforcement entities in order to-- (A) further minimize the possibility of maritime 911 calls being improperly routed; and (B) assure the Coast Guard is able to effectively carry out the Coast Guard's maritime search and rescue mission; and (2) the Commandant shall-- (A) formulate a national maritime public safety answering points policy; and (B) submit a report to the Congress on such assessment and policy, which shall include an update to the report submitted in accordance with section 233 of the Howard Coble Coast Guard and Maritime Transportation Act of 2014. SEC. 809. SHIP SHOAL LIGHTHOUSE ***TRANSFER***: REPEAL. Effective January 1, 2021, section 27 of the Coast Guard Authorization Act of 1991 (Public Law 102-241; 105 Stat. 2218) is repealed. SEC. 810. LAND EXCHANGE, AYAKULIK ISLAND, ALASKA. (a) Land Exchange; Ayakulik Island, Alaska.--If the owner of Ayakulik Island, Alaska, offers to exchange the Island for the Tract-- (1) within 10 days after receiving such offer, the Secretary shall provide notice of the offer to the Commandant; (2) within 90 days after receiving the notice under paragraph (1), the Commandant shall develop and transmit to the Secretary proposed operational restrictions on commercial activity conducted on the Tract, including the right of the Commandant to-- (A) order the immediate termination, for a period of up to 72 hours, of any activity occurring on or from the Tract that violates or threatens to violate one or more of such restrictions; or (B) commence a civil action for appropriate relief, including a permanent or temporary injunction enjoining the activity that violates or threatens to violate such restrictions; (3) within 90 days after receiving the proposed operational restrictions from the Commandant, the Secretary shall transmit such restrictions to the owner of Ayakulik Island; and (4) within 30 days after transmitting the proposed operational restrictions to the owner of Ayakulik Island, and if the owner agrees to such restrictions, the Secretary shall convey all right, title, and interest of the United States in and to the Tract to the owner, subject to an easement granted to the Commandant to enforce such restrictions, in exchange for all right, title, and interest of such owner in and to Ayakulik Island. (b) Boundary Revisions.--The Secretary may make technical and conforming revisions to the boundaries of the Tract before the date of the exchange. (c) Public Land Order.--Effective on the date of an exchange under subsection (a), Public Land Order 5550 shall have no force or effect with respect to submerged lands that are part of the Tract. (d) Failure to Timely Respond to Notice.--If the Commandant does not transmit proposed operational restrictions to the Secretary within 30 days after receiving the notice under subsection (a)(1), the Secretary shall, by not later than 60 days after transmitting such notice, convey all right, title, and interest of the United States in and to the Tract to the owner of Ayakulik Island in exchange for all right, title, and interest of such owner in and to Ayakulik Island. (e) CERCLA Not Affected.--This section and an exchange under this section shall not be construed to limit the application of or otherwise affect section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C 9620(h)). (f) Definitions.--In this section: (1) Commandant.--The term ``Commandant'' means the Secretary of the department in which the Coast Guard is operating, acting through the Commandant of the Coast Guard. (2) Secretary.--The term ``Secretary'' means the Secretary of the Interior. (3) Tract.--The term ``Tract'' means the land (including submerged land) depicted as ``PROPOSED PROPERTY EXCHANGE AREA'' on the survey titled ``PROPOSED PROPERTY EXCHANGE PARCEL'' and dated 3/22/17. SEC. 811. USE OF TRACT 43. Section 524(e)(2) of the Pribilof Island Transition Completion Act of 2016 (Public Law 114-120), as amended by section 3533 of the Pribilof Island Transition Completion Amendments Act of 2016 (subtitle B of title XXXV of Public Law 114-328), is amended by-- (1) striking ``each month'' and inserting ``each April and October''; and (2) striking ``previous month'' and inserting ``previous six months''. SEC. 812. COAST GUARD MARITIME DOMAIN AWARENESS. (a) In General.--The Secretary of the department in which the Coast Guard is operating shall seek to enter into an arrangement with the National Academy of Sciences not later than 60 days after the date of the enactment of this Act under which the Academy shall prepare an assessment of available unmanned, autonomous, or remotely controlled maritime domain awareness technologies for use by the Coast Guard. (b) Assessment.--The assessment shall-- (1) describe the potential limitations of current and emerging unmanned technologies used in the maritime domain for-- (A) ocean observation; (B) vessel monitoring and identification; (C) weather observation; (D) to the extent practicable for consideration by the Academy, intelligence gathering, surveillance, and reconnaissance; and (E) communications; (2) examine how technologies described in paragraph (1) can help prioritize Federal investment by examining; (A) affordability, including acquisition, operations, and maintenance; (B) reliability; (C) versatility; (D) efficiency; and (E) estimated service life and persistence of effort; and (3) analyze whether the use of new and emerging maritime domain awareness technologies can be used to-- (A) carry out Coast Guard missions at lower costs; (B) expand the scope and range of Coast Guard maritime domain awareness; (C) allow the Coast Guard to more efficiently and effectively allocate Coast Guard vessels, aircraft, and personnel; and (D) identify adjustments that would be necessary in Coast Guard policies, procedures, and protocols to incorporate unmanned technologies to enhance efficiency. [[Page S7004]] (c) Report to Congress.--Not later than 1 ***year*** after entering into an arrangement with the Secretary under subsection (a), the National Academy of Sciences shall submit the assessment prepared under this section to the Committees on Transportation and Infrastructure and Homeland Security of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate. (d) Use of Information.--In formulating costs pursuant to subsection (b), the National Academy of Sciences may utilize information from other Coast Guard reports, assessments, or analyses regarding existing Coast Guard manpower requirements or other reports, assessments, or analyses for the acquisition of unmanned, autonomous, or remotely controlled technologies by the Federal Government. SEC. 813. MONITORING. (a) In General.--The Secretary of the department in which the Coast Guard is operating shall conduct a 1-***year*** pilot ***program*** to determine the impact of persistent use of different types of surveillance systems on illegal maritime activities, including illegal, unreported, and unregulated fishing, in the Western Pacific region. (b) Requirements.--The pilot ***program*** shall-- (1) consider the use of light aircraft-based detection systems that can identify potential illegal activity from high altitudes and produce enforcement-quality evidence at low altitudes; and (2) be directed at detecting and deterring illegal maritime activities, including illegal, unreported, and unregulated fishing, and enhancing maritime domain awareness. SEC. 814. REIMBURSEMENTS FOR NON-FEDERAL CONSTRUCTION COSTS OF CERTAIN AIDS TO NAVIGATION. (a) In General.--Subject to the availability of amounts specifically provided in advance in subsequent appropriations Acts and in accordance with this section, the Commandant of the Coast Guard may reimburse a non-Federal entity for costs incurred by the entity for a covered project. (b) Conditions.--The Commandant may not provide reimbursement under subsection (a) with respect to a covered project unless-- (1) the need for the project is a result of the completion of construction with respect to a federally authorized navigation channel; (2) the Commandant determines, through an appropriate navigation safety analysis, that the project is necessary to ensure safe marine transportation; (3) the Commandant approves the design of the project to ensure that it meets all applicable Coast Guard aids-to- navigation standards and requirements; (4) the non-Federal entity agrees to ***transfer*** the project upon completion to the Coast Guard for operation and maintenance by the Coast Guard as a Federal aid to navigation; (5) the non-Federal entity carries out the project in accordance with the same laws and regulations that would apply to the Coast Guard if the Coast Guard carried out the project, including obtaining all permits required for the project under Federal and State law; and (6) the Commandant determines that the project satisfies such additional requirements as may be established by the Commandant. (c) Limitations.--Reimbursements under subsection (a) may not exceed the following: (1) For a single covered project, $5,000,000. (2) For all covered projects in a single fiscal ***year***, $5,000,000. (d) Expiration.--The authority granted under this section shall expire on the date that is 4 ***years*** after the date of enactment of this section. (e) Covered Project Defined.--In this section, the term ``covered project'' means a project carried out-- (1) by a non-Federal entity to construct and establish an aid to navigation that facilitates safe and efficient marine transportation on a Federal navigation project authorized by title I of the Water Resources Development Act of 2007 (Public Law 110-114); and (2) in an area that was affected by Hurricane Harvey. SEC. 815. TOWING SAFETY MANAGEMENT SYSTEM FEES. (a) Review.--The Commandant of the Coast Guard shall-- (1) review and compare the costs to the Government of-- (A) towing vessel inspections performed by the Coast Guard; and (B) such inspections performed by a third party; and (2) based on such review and comparison, determine whether the costs to the Government of such inspections performed by a third party are different than the costs to the Government of such inspections performed by the Coast Guard. (b) Revision of Fees.--If the Commandant determines under subsection (a) that the costs to the Government of such inspections performed by a third party are different than the costs to the Government of such inspections performed by the Coast Guard, then the Commandant shall revise the fee assessed by the Coast Guard for such inspections as necessary to conform to the requirements under section 9701 of title 31, United States Code, that such fee be based on the cost to the Government of such inspections and accurately reflect such costs. SEC. 816. OIL SPILL DISBURSEMENTS AUDITING AND REPORT. Section 1012 of the Oil Pollution Act of 1990 (33 U.S.C 2712) is amended-- (1) by repealing subsection (g); (2) in subsection (l)(1), by striking ``Within one ***year*** after the date of enactment of the Coast Guard Authorization Act of 2010, and annually thereafter,'' and inserting ``Each ***year***, on the date on which the President submits to Congress a budget under section 1105 of title 31, United States Code,''; and (3) by amending subsection (l)(2) to read as follows: ``(2) Contents.--The report shall include-- ``(A) a list of each incident that-- ``(i) occurred in the preceding fiscal ***year***; and ``(ii) resulted in disbursements from the Fund, for removal costs and damages, totaling $500,000 or more; ``(B) a list of each incident that-- ``(i) occurred in the fiscal ***year*** preceding the preceding fiscal ***year***; and ``(ii) resulted in disbursements from the Fund, for removal costs and damages, totaling $500,000 or more; and ``(C) an accounting of any amounts reimbursed to the Fund in the preceding fiscal ***year*** that were recovered from a responsible party for an incident that resulted in disbursements from the Fund, for removal costs and damages, totaling $500,000 or more.''. SEC. 817. FLEET REQUIREMENTS ASSESSMENT AND STRATEGY. (a) Report.--Not later than 1 ***year*** after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating, in consultation with interested Federal and non-Federal stakeholders, shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report including-- (1) an assessment of Coast Guard at-sea operational fleet requirements to support its statutory missions established in the Homeland Security Act of 2002 (6 U.S.C 101 et seq.); and (2) a strategic plan for meeting the requirements identified under paragraph (1). (b) Contents.--The report under subsection (a) shall include-- (1) an assessment of-- (A) the extent to which the Coast Guard at-sea operational fleet requirements referred to in subsection (a)(1) are currently being met; (B) the Coast Guard's current fleet, its operational lifespan, and how the anticipated changes in the age and distribution of vessels in the fleet will impact the ability to meet at-sea operational requirements; (C) fleet operations and recommended improvements to minimize costs and extend operational vessel life spans; and (D) the number of Fast Response Cutters, Offshore Patrol Cutters, and National Security Cutters needed to meet at-sea operational requirements as compared to planned acquisitions under the current ***programs*** of record; (2) an analysis of-- (A) how the Coast Guard at-sea operational fleet requirements are currently met, including the use of the Coast Guard's current cutter fleet, agreements with partners, chartered vessels, and unmanned vehicle technology; and (B) whether existing and planned cutter ***programs*** of record (including the Fast Response Cutter, Offshore Patrol Cutter, and National Security Cutter) will enable the Coast Guard to meet at-sea operational requirements; and (3) a description of-- (A) planned manned and unmanned vessel acquisition; and (B) how such acquisitions will change the extent to which the Coast Guard at-sea operational requirements are met. (c) Consultation and Transparency.-- (1) Consultation.--In consulting with the Federal and non- Federal stakeholders under subsection (a), the Secretary of the department in which the Coast Guard is operating shall-- (A) provide the stakeholders with opportunities for input-- (i) prior to initially drafting the report, including the assessment and strategic plan; and (ii) not later than 3 months prior to finalizing the report, including the assessment and strategic plan, for submission; and (B) document the input and its disposition in the report. (2) Transparency.--All input provided under paragraph (1) shall be made available to the public. (d) Ensuring Maritime Coverage.--In order to meet Coast Guard mission requirements for search and rescue, ports, waterways, and coastal security, and maritime environmental response during recapitalization of Coast Guard vessels, the Coast Guard shall ensure continuity of the coverage, to the maximum extent practicable, in the locations that may lose assets. SEC. 818. NATIONAL SECURITY CUTTER. (a) Standard Method for Tracking.--The Commandant of the Coast Guard may not certify an eighth National Security Cutter as Ready for Operations before the date on which the Commandant provides to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate-- (1) a notification of a new standard method for tracking operational employment of Coast Guard major cutters that does not include time during which such a cutter is [[Page S7005]] away from its homeport for maintenance or repair; and (2) a report analyzing cost and performance for different approaches to achieving varied levels of operational employment using the standard method required by paragraph (1) that, at a minimum-- (A) compares over a 30-***year*** period the average annualized baseline cost and performances for a certified National Security Cutter that operated for 185 days away from homeport or an equivalent alternative measure of operational tempo-- (i) against the cost of a 15 percent increase in days away from homeport or an equivalent alternative measure of operational tempo for a National Security Cutter; and (ii) against the cost of the acquisition and operation of an additional National Security Cutter; and (B) examines the optimal level of operational employment of National Security Cutters to balance National Security Cutter cost and mission performance. (b) Conforming Amendments.-- (1) Section 221(b) of the Coast Guard and Maritime Transportation Act of 2012 (126 Stat. 1560) is repealed. (2) Section 204(c)(1) of the Coast Guard Authorization Act of 2016 (130 Stat. 35) is repealed. SEC. 819. ACQUISITION PLAN FOR INLAND WATERWAY AND RIVER TENDERS AND BAY-CLASS ICEBREAKERS. (a) Acquisition Plan.--Not later than 270 days after the date of the enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a plan to replace or extend the life of the Coast Guard fleet of inland waterway and river tenders, and the Bay-class icebreakers. (b) Contents.--The plan under subsection (a) shall include-- (1) an analysis of the work required to extend the life of vessels described in subsection (a); (2) recommendations for which, if any, such vessels it is cost effective to undertake a ship-life extension or enhanced maintenance ***program***; (3) an analysis of the aids to navigation ***program*** to determine if advances in navigation technology may reduce the needs for physical aids to navigation; (4) recommendations for changes to physical aids to navigation and the distribution of such aids that reduce the need for the acquisition of vessels to replace the vessels described in subsection (a); (5) a schedule for the acquisition of vessels to replace the vessels described in subsection (a), including the date on which the first vessel will be delivered; (6) the date such acquisition will be complete; (7) a description of the order and location of replacement vessels; (8) an estimate of the cost per vessel and of the total cost of the acquisition ***program*** of record; and (9) an analysis of whether existing vessels can be used. SEC. 820. GREAT LAKES ICEBREAKER ACQUISITION. (a) Icebreaking on the Great Lakes.--For fiscal ***years*** 2018 and 2019, the Commandant of the Coast Guard may use funds made available pursuant to section 4902 of title 14, United States Code, as amended by this Act, for the construction of an icebreaker that is at least as capable as the Coast Guard Cutter Mackinaw to enhance icebreaking capacity on the Great Lakes. (b) Acquisition Plan.--Not later than 45 days after the date of enactment of this Act, the Commandant shall submit a plan to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives for acquiring an icebreaker described in subsections (a) and (b). Such plan shall include-- (1) the details and schedule of the acquisition activities to be completed; and (2) a description of how the funding for Coast Guard acquisition, construction, and improvements that was appropriated under the Consolidated Appropriations Act, 2017 (Public Law 115-31) will be allocated to support the acquisition activities referred to in paragraph (1). SEC. 821. POLAR ICEBREAKERS. (a) Enhanced Maintenance ***Program*** for the Polar Star.-- (1) In general.--Subject to the availability of appropriations, the Commandant of the Coast Guard shall conduct an enhanced maintenance ***program*** on Coast Guard Cutter Polar Star (WAGB-10) to extend the service life of such vessel until at least December 31, 2025. (2) Requirement for report.--Not later than 180 days after the date of the enactment of the Coast Guard Authorization Act of 2017, the Secretary of the department in which the Coast Guard is operating, in consultation with Naval Sea Systems Command, shall submit to the Committee on Commerce, Science, and Transportation and the Committee on Armed Services of the Senate and the Committee on Transportation and Infrastructure and the Committee on Armed Services of the House of Representatives a detailed report describing a plan to extend the service life of the Coast Guard Cutter Polar Star (WAGB-10) until at least December 31, 2025, through an enhanced maintenance ***program***. (3) Content.--The report required by paragraph (2) shall include the following: (A) An assessment and discussion of the enhanced maintenance ***program*** recommended by the National Academies of Sciences, Engineering, and Medicine's Committee on Polar Icebreaker Cost Assessment in the letter report ``Acquisition and Operation of Polar Icebreakers: Fulfilling the Nation's Needs''. (B) An assessment and discussion of the Government Accountability Office's concerns and recommendations regarding service life extension work on Coast Guard Cutter Polar Star (WAGB-10) in the report ``Status of the Coast Guard's Polar Icebreaking Fleet Capability and Recapitalization Plan''. (C) Based upon a materiel condition assessment of the Coast Guard Cutter Polar Star (WAGB-10)-- (i) a description of the service life extension needs of the vessel; (ii) detailed information regarding planned shipyard work for each fiscal ***year*** to meet such needs; and (iii) an estimate of the amount needed to be appropriated to complete the enhanced maintenance ***program***. (D) A plan to ensure the vessel will maintain seasonally operational status during the enhanced maintenance ***program***. (4) Authorization of appropriations.--The Commandant of the Coast Guard may use funds made available pursuant to section 4902 of title 14, United States Code, as amended by section 202 of this Act, for the enhanced maintenance ***program*** described in the report required by subsection (a). (b) Coast Guard and Maritime Transportation Act of 2012; Amendment.--Section 222 of the Coast Guard and Maritime Transportation Act of 2012 (Public Law 112-213), as amended, is further amended as follows: (1) by striking subsections (a) through (d); (2) by redesignating subsections (e) through (g) as subsections (a) through (c), respectively; (3) in subsection (a), as redesignated-- (A) in the matter preceding paragraph (1), by striking ``Except as provided in subsection (c), the Commandant'' and inserting ``The Commandant''; (B) in paragraph (1) by striking ``Polar Sea or''; (C) in paragraph (2) by striking ``either of the vessels'' and inserting ``the Polar Star or the Polar Sea''; and (D) in paragraph (3) by striking ``either of the vessels'' each place it appears and inserting ``the Polar Star''. SEC. 822. STRATEGIC ASSETS IN THE ARCTIC. (a) Definition of Arctic.--In this section, the term ``Arctic'' has the meaning given the term in section 112 of the Arctic Research and Policy Act of 1984 (15 U.S.C 4111). (b) Sense of Congress.--It is the sense of Congress that-- (1) the Arctic continues to grow in significance to both the national security interests and the economic prosperity of the United States; and (2) the Coast Guard must ensure it is positioned to respond to any accident, incident, or threat with appropriate assets. (c) Report.--Not later than 1 ***year*** after the date of enactment of this Act, the Commandant of the Coast Guard, in consultation with the Secretary of Defense and taking into consideration the Department of Defense 2016 Arctic Strategy, shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the progress toward implementing the strategic objectives described in the United States Coast Guard Arctic Strategy dated May 2013. (d) Contents.--The report under subsection (c) shall include-- (1) a description of the Coast Guard's progress toward each strategic objective identified in the United States Coast Guard Arctic Strategy dated May 2013; (2) an assessment of the assets and infrastructure necessary to meet the strategic objectives identified in the United States Coast Guard Arctic Strategy dated May 2013 based on factors such as-- (A) response time; (B) coverage area; (C) endurance on scene; (D) presence; and (E) deterrence; (3) an analysis of the sufficiency of the distribution of National Security Cutters, Offshore Patrol Cutters, and Fast Response Cutters both stationed in various Alaskan ports and in other locations to meet the strategic objectives identified in the United States Coast Guard Arctic Strategy, dated May 2013; (4) plans to provide communications throughout the entire Coastal Western Alaska Captain of the Port zone to improve waterway safety and mitigate close calls, collisions, and other dangerous interactions between the shipping industry and subsistence hunters; (5) plans to prevent marine casualties, when possible, by ensuring vessels avoid environmentally sensitive areas and permanent security zones; (6) an explanation of-- (A) whether it is feasible to establish a vessel traffic service, using existing resources or otherwise; and (B) whether an Arctic Response Center of Expertise is necessary to address the gaps in experience, skills, equipment, resources, training, and doctrine to prepare, respond to, and recover spilled oil in the Arctic; and [[Page S7006]] (7) an assessment of whether sufficient agreements are in place to ensure the Coast Guard is receiving the information it needs to carry out its responsibilities. SEC. 823. ARCTIC PLANNING CRITERIA. (a) Alternative Planning Criteria.-- (1) In general.--For purposes of the Oil Pollution Act of 1990 (33 U.S.C 2701 et seq.), the Commandant of the Coast Guard may approve a vessel response plan under section 311 of the Federal Water Pollution Control Act (33 U.S.C 1321) for a vessel operating in any area covered by the Captain of the Port Zone (as established by the Commandant) that includes the Arctic, if the Commandant verifies that-- (A) equipment required to be available for response under the plan has been tested and proven capable of operating in the environmental conditions expected in the area in which it is intended to be operated; and (B) the operators of such equipment have conducted training on the equipment within the area covered by such Captain of the Port Zone. (2) Post-approval requirements.--In approving a vessel response plan under paragraph (1), the Commandant shall-- (A) require that the oil spill removal organization identified in the vessel response plan conduct regular exercises and drills using the response resources identified in the plan in the area covered by the Captain of the Port Zone that includes the Arctic; and (B) allow such oil spill removal organization to take credit for a response to an actual spill or release in the area covered by such Captain of the Port Zone, instead of conducting an exercise or drill required under subparagraph (A), if the oil spill removal organization-- (i) documents which exercise or drill requirements were met during the response; and (ii) submits a request for credit to, and receives approval from, the Commandant. (b) Report.-- (1) In general.--Not later than 120 days after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the oil spill prevention and response capabilities for the area covered by the Captain of the Port Zone (as established by the Commandant) that includes the Arctic. (2) Contents.--The report submitted under paragraph (1) shall include the following: (A) A description of equipment and assets available for response under the vessel response plans approved for vessels operating in the area covered by the Captain of the Port Zone, including details on any providers of such equipment and assets. (B) A description of the location of such equipment and assets, including an estimate of the time to deploy the equipment and assets. (C) A determination of how effectively such equipment and assets are distributed throughout the area covered by the Captain of the Port Zone. (D) A statement regarding whether the ability to maintain and deploy such equipment and assets is taken into account when measuring the equipment and assets available throughout the area covered by the Captain of the Port Zone. (E) A validation of the port assessment visit process and response resource inventory for response under the vessel response plans approved for vessels operating in the area covered by the Captain of the Port Zone. (F) A determination of the compliance rate with Federal vessel response plan regulations in the area covered by the Captain of the Port Zone during the previous 3 ***years***. (G) A description of the resources needed throughout the area covered by the Captain of the Port Zone to conduct port assessments, exercises, response plan reviews, and spill responses. (c) Definition of Arctic.--In this section, the term ``Arctic'' has the meaning given the term under section 112 of the Arctic Research and Policy Act of 1984 (15 U.S.C 4111). SEC. 824. VESSEL RESPONSE PLAN AUDIT. (a) In General.--Not later than 1 ***year*** after the date of enactment of this Act, the Comptroller General of the United States shall complete and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a comprehensive review of the processes and resources used by the Coast Guard to implement vessel response plan requirements under section 311 of the Federal Water Pollution Control Act (33 U.S.C 1321). (b) Required Elements of Review.--The review required under subsection (a) shall, at a minimum, include-- (1) a study, or an audit if appropriate, of the processes the Coast Guard uses-- (A) to approve the vessel response plans referred to in subsection (a); (B) to approve alternate planning criteria used in lieu of National Planning Criteria in approving such plans; (C) to verify compliance with such plans; and (D) to act in the event of a failure to comply with the requirements of such plans; (2) an examination of all Federal and State agency resources used by the Coast Guard in carrying out the processes identified under paragraph (1), including-- (A) the current staffing model and organization; (B) data, software, simulators, systems, or other technology, including those pertaining to weather, oil spill trajectory modeling, and risk management; (C) the total amount of time per fiscal ***year*** expended by Coast Guard personnel to approve and verify compliance with vessel response plans; and (D) the average amount of time expended by the Coast Guard for approval of, and verification of compliance with, a single vessel response plan; (3) an analysis of how, including by what means or methods, the processes identified under paragraph (1)-- (A) ensure compliance with applicable law; (B) are implemented by the Coast Guard, including at the district and sector levels; (C) are informed by public comment and engagement with States, Indian Tribes, and other regional stakeholders; (D) ensure availability and adequate operational capability and capacity of required assets and equipment, including in cases in which contractual obligations may limit the availability of such assets and equipment for response; (E) provide for adequate asset and equipment mobilization time requirements, particularly with respect to-- (i) calculation and establishment of such requirements; (ii) verifying compliance with such requirements; and (iii) factoring in weather, including specific regional adverse weather as defined in section 155.1020 of title 33, Code of Federal Regulations, in calculating, establishing, and verifying compliance with such requirements; (F) ensure response plan updates and vessel compliance when changes occur in response planning criteria, asset and equipment mobilization times, or regional response needs, such as trends in transportation of high gravity oils or changes in vessel traffic volume; and (G) enable effective action by the Coast Guard in the event of a failure to comply with response plan requirements; (4) a determination regarding whether asset and equipment mobilization time requirements under approved vessel response plans can be met by the vessels to which they apply; and (5) recommendations for improving the processes identified under paragraph (1), including recommendations regarding the sufficiency of Coast Guard resources dedicated to those processes. SEC. 825. WATERS DEEMED NOT NAVIGABLE WATERS OF THE UNITED STATES FOR CERTAIN PURPOSES. For purposes of the application of subtitle II of title 46, United States Code, to the Volunteer (Hull Number CCA4108), the Illinois and Michigan Canal is deemed to not be navigable waters of the United States. SEC. 826. DOCUMENTATION OF RECREATIONAL VESSELS. Coast Guard personnel performing nonrecreational vessel documentation functions under subchapter II of chapter 121 of title 46, United States Code, may perform recreational vessel documentation under section 12114 of such title in any fiscal ***year*** in which-- (1) funds available for Coast Guard operating expenses may not be used for expenses incurred for recreational vessel documentation; (2) fees collected from owners of yachts and credited to such use are insufficient to pay expenses of recreational vessel documentation; and (3) there is a backlog of applications for recreational vessel documentation. SEC. 827. EQUIPMENT REQUIREMENTS; EXEMPTION FROM THROWABLE PERSONAL FLOTATION DEVICES REQUIREMENT. Not later than one ***year*** after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall-- (1) prescribe regulations in part 160 of title 46, Code of Federal Regulations, that treat a marine throw bag, as that term is commonly used in the commercial whitewater rafting industry, as a type of lifesaving equipment; and (2) revise section 175.17 of title 33, Code of Federal Regulations, to exempt rafts that are 16 feet or more overall in length from the requirement to carry an additional throwable personal flotation device when such a marine throw bag is onboard and accessible. SEC. 828. VISUAL DISTRESS SIGNALS AND ALTERNATIVE USE. (a) In General.--The Secretary of the department in which the Coast Guard is operating shall develop a performance standard for the alternative use and possession of visual distress alerting and locating signals as mandated by carriage requirements for recreational boats in subpart C of part 175 of title 33, Code of Federal Regulations. (b) Regulations.--Not later than 180 days after the performance standard for alternative use and possession of visual distress alerting and locating signals is finalized, the Secretary shall revise part 175 of title 33, Code of Federal Regulations, to allow for carriage of such alternative signal devices. SEC. 829. RADAR REFRESHER TRAINING. Not later than 60 days after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall prescribe a final rule eliminating [[Page S7007]] the requirement that a mariner actively using the mariner's credential complete an approved refresher or recertification course to maintain a radar observer endorsement. This rulemaking shall be exempt from chapters 5 and 6 of title 5, United States Code, and Executive Orders 12866 and 13563. SEC. 830. COMMERCIAL FISHING VESSEL SAFETY NATIONAL COMMUNICATIONS PLAN. (a) Requirement for Plan.--Not later than 1 ***year*** after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall develop and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a national communications plan for the purposes of-- (1) disseminating information to the commercial fishing vessel industry; (2) conducting outreach with the commercial fishing vessel industry; (3) facilitating interaction with the commercial fishing vessel industry; and (4) releasing information collected under section 15102 of title 46, United States Code, as added by this Act, to the commercial fishing vessel industry. (b) Content.--The plan required by subsection (a), and each annual update, shall-- (1) identify staff, resources, and systems available to the Secretary to ensure the widest dissemination of information to the commercial fishing vessel industry; (2) include a means to document all communication and outreach conducted with the commercial fishing vessel industry; and (3) include a mechanism to measure effectiveness of such plan. (c) Implementation.--Not later than one ***year*** after submission of the initial plan, the Secretary of the department in which the Coast Guard is operating shall implement the plan and shall at a minimum-- (1) leverage Coast Guard staff, resources, and systems available; (2) monitor implementation nationwide to ensure adherence to plan contents; (3) allow each Captain of the Port to adopt the most effective strategy and means to communicate with commercial fishing vessel industry in that Captain of the Port Zone; (4) document communication and outreach; and (5) solicit feedback from the commercial fishing vessel industry. (d) Report and Updates.--The Secretary of the department in which the Coast Guard is operating shall-- (1) submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the effectiveness of the plan to date and any updates to ensure maximum impact of the plan one ***year*** after the date of enactment of this Act, and every 4 ***years*** thereafter; and (2) include in such report input from individual Captains of the Port and any feedback received from the commercial fishing vessel industry. SEC. 831. ATLANTIC COAST PORT ACCESS ROUTE STUDY RECOMMENDATIONS. Not later than 30 days after the date of the enactment of the Act, the Commandant of the Coast Guard shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of action taken to carry out the recommendations contained in the final report issued by the Atlantic Coast Port Access Route Study (ACPARS) workgroup for which notice of availability was published March 14, 2016 (81 Fed. Reg. 13307). SEC. 832. DRAWBRIDGES. Section 5 of the Act entitled ``An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes'', approved August 18, 1894 (33 U.S.C 499), is amended by adding at the end the following: ``(d) Temporary Changes to Drawbridge Operating Schedules.--Notwithstanding section 553 of title 5, United States Code, whenever a temporary change to the operating schedule of a drawbridge, lasting 180 days or less-- ``(1) is approved-- ``(A) the Secretary of the department in which the Coast Guard is operating shall-- ``(i) issue a deviation approval letter to the bridge owner; and ``(ii) announce the temporary change in-- ``(I) the Local Notice to Mariners; ``(II) a broadcast notice to mariners and through radio stations; or ``(III) such other local media as the Secretary considers appropriate; and ``(B) the bridge owner, except a railroad bridge owner, shall notify-- ``(i) the public by publishing notice of the temporary change in a newspaper of general circulation published in the place where the bridge is located; ``(ii) the department, agency, or office of transportation with jurisdiction over the roadway that abuts the approaches to the bridge; and ``(iii) the law enforcement organization with jurisdiction over the roadway that abuts the approaches to the bridge; or ``(2) is denied, the Secretary of the department in which the Coast Guard is operating shall-- ``(A) not later than 10 days after the date of receipt of the request, provide the bridge owner in writing the reasons for the denial, including any supporting data and evidence used to make the determination; and ``(B) provide the bridge owner a reasonable opportunity to address each reason for the denial and resubmit the request. ``(e) Drawbridge Movements.--The Secretary of the department in which the Coast Guard is operating-- ``(1) shall require a drawbridge operator to record each movement of the drawbridge in a logbook; ``(2) may inspect the logbook to ensure drawbridge movement is in accordance with the posted operating schedule; ``(3) shall review whether deviations from the posted operating schedule are impairing vehicular and pedestrian traffic; and ``(4) may determine if the operating schedule should be adjusted for efficiency of maritime or vehicular and pedestrian traffic. ``(f) Requirements.-- ``(1) Logbooks.--An operator of a drawbridge built across a navigable river or other water of the United States-- ``(A) that opens the draw of such bridge for the passage of a vessel, shall record in a logbook-- ``(i) the bridge identification and date of each opening; ``(ii) the bridge tender or operator for each opening; ``(iii) each time it is opened for navigation; ``(iv) each time it is closed for navigation; ``(v) the number and direction of vessels passing through during each opening; ``(vi) the types of vessels passing through during each opening; ``(vii) an estimated or known size (height, length, and beam) of the largest vessel passing through during each opening; ``(viii) for each vessel, the vessel name and registration number if easily observable; and ``(ix) all maintenance openings, malfunctions, or other comments; and ``(B) that remains open to navigation but closes to allow for trains to cross, shall record in a logbook-- ``(i) the bridge identification and date of each opening and closing; ``(ii) the bridge tender or operator; ``(iii) each time it is opened to navigation; ``(iv) each time it is closed to navigation; and ``(v) all maintenance openings, closings, malfunctions, or other comments. ``(2) Maintenance of logbooks.--A drawbridge operator shall maintain logbooks required under paragraph (1) for not less than 5 ***years***. ``(3) Submission of logbooks.--At the request of the Secretary of the department in which the Coast Guard is operating, a drawbridge operator shall submit to the Secretary the logbook required under paragraph (1) as the Secretary considers necessary to carry out this section. ``(4) Exemption.--The requirements under paragraph (1) shall be exempt from sections 3501 to 3521 of title 44, United States Code.''. SEC. 833. WAIVER. Section 8902 of title 46, United States Code, shall not apply to the chain ferry DIANE (United States official number CG002692) when such vessel is operating on the Kalamazoo River in Saugatuck, Michigan. SEC. 834. FIRE-RETARDANT MATERIALS. Section 3503 of title 46, United States Code, is amended to read as follows: ``Sec. 3503. Fire-retardant materials ``(a)(1) A passenger vessel of the United States having berth or stateroom accommodations for at least 50 passengers shall be granted a certificate of inspection only if-- ``(A) the vessel is constructed of fire-retardant materials; and ``(B) the vessel-- ``(i) is operating engines, boilers, main electrical distribution panels, fuel tanks, oil tanks, and generators that meet current Coast Guard regulations; and ``(ii) is operating boilers and main electrical generators that are contained within noncombustible enclosures equipped with fire suppression systems. ``(2) Before December 1, 2028, this subsection does not apply to any vessel in operation before January 1, 1968, and operating only within the Boundary Line. ``(b)(1) The owner or managing operator of an exempted vessel described in subsection (a)(2) shall-- ``(A) notify in writing prospective passengers, prior to purchase, and each crew member that the vessel does not comply with applicable fire safety standards due primarily to the wooden construction of passenger berthing areas; ``(B) display in clearly legible font prominently throughout the vessel, including in each state room the following: `THIS VESSEL FAILS TO COMPLY WITH SAFETY RULES AND REGULATIONS OF THE U.S COAST GUARD.'; ``(C) acquire prior to the vessel entering service, and maintain, liability insurance in an amount to be prescribed by the Federal Maritime Commission; ``(D) make annual structural alteration to not less than 10 percent of the areas of the vessel that are not constructed of fire retardant materials; ``(E) prioritize alterations in galleys, engineering areas of the vessel, including all spaces and compartments containing, or adjacent to spaces and compartments containing, engines, boilers, main electrical distribution panels, fuel tanks, oil tanks, and generators; ``(F) ensure, to the satisfaction of the Secretary, that the combustible fire-load has been reduced pursuant to subparagraph (D) [[Page S7008]] during each annual inspection for certification; ``(G) ensure the vessel has multiple forms of egress off the vessel's bow and stern; ``(H) provide advance notice to the Coast Guard regarding the structural alterations made pursuant to subparagraph (D) and comply with any noncombustible material requirements prescribed by the Coast Guard; ``(I) annually notify all ports of call and State emergency management offices of jurisdiction that the vessel does not comply with the requirement under subsection (a)(1); ``(J) provide crewmembers manning such vessel shipboard training that-- ``(i) is specialized for exempted vessels; ``(ii) exceeds requirements related to standards for firefighting training under chapter I of title 46, Code of Federal Regulations, as in effect on October 1, 2017; and ``(iii) is approved by the Coast Guard; and ``(K) to the extent practicable, take all steps to retain previously trained crew knowledgeable of such vessel or to hire crew trained in operations aboard exempted vessels. ``(2) The owner or managing operator of an exempted vessel described in subsection (a)(2) may not disclaim liability to a passenger or crew member of such vessel for death, injury, or any other loss caused by fire due to the negligence of the owner or managing operator. ``(3) The Secretary shall-- ``(A) conduct an annual audit and inspection of each exempted vessel described in subsection (a)(2); ``(B) in implementing subparagraph (b)(1)(F), consider, to the extent practicable, the goal of preservation of the historic integrity of such vessel in areas carrying or accessible to passengers or generally visible to the public; and ``(C) prescribe regulations to carry out this section, including to prescribe the manner in which prospective passengers are to be notified under paragraph (1)(A). ``(4) The penalties provided in section 3504(c) of this title shall apply to a violation of this subsection. ``(c) In addition to otherwise applicable penalties, the Secretary may immediately withdraw a certificate of inspection for an exempted vessel described in subsection (a)(2) that does not comply with any requirement under subsection (b).''. SEC. 835. VESSEL WAIVER. (a) In General.--Upon the date of enactment of this Act and notwithstanding sections 12112(a)(2)(A) and 12113(a)(2) of title 46, United States Code, the Secretary shall issue a certificate of documentation with coastwise and fishery endorsements to the certificated vessel. (b) Replacement Vessel.--The certificated vessel shall qualify as a replacement vessel for the vessel ``AMERICA NO.1'' (United States official number 610654) and not be precluded from operating as an Amendment 80 replacement vessel under the provisions of part 679 of title 50, Code of Federal Regulations. (c) Coast Guard Review and Determination.-- (1) Review.--Not later than 30 days after the date of enactment of this Act, the Secretary shall conduct a review of the use of certain foreign fabricated steel components in the hull or superstructure of the certificated vessel. (2) Determination.--Based on the review conducted under paragraph (1), the Secretary shall determine whether the shipyard that constructed the certificated vessel or the purchaser of the certificated vessel knew before such components were procured or installed that the use of such components would violate requirements under sections 12112(a)(2)(A) and 12113(a)(2) of title 46, United States Code. (3) Revocation.--If the Secretary determines under paragraph (2) that the shipyard that constructed the certificated vessel or the purchaser of the certificated vessel knew before such components were procured or installed that the use of such components would violate requirements under sections 12112(a)(2)(A) and 12113(a)(2) of title 46, United States Code, the Secretary shall immediately revoke the certificate of documentation issued under subsection (a). (4) Use of documents.--In conducting the review required under paragraph (1), the Secretary may request and review any information, correspondence, or documents related to the construction of the certificated vessel, including from the shipyard that constructed the certificated vessel and the purchaser of the certificated vessel. (d) Termination.--If the contract for purchase of the certificated vessel that is in effect on the date of enactment of this Act is terminated, the purchasing party to that contract shall be prohibited from entering into a subsequent contract or agreement for purchase of such vessel. (e) Definitions.--In this section: (1) Certificated vessel.--The term ``certificated vessel'' means the vessel America's Finest (United States official number 1276760). (2) Secretary.--The term ``Secretary'' means the Secretary of the department in which the Coast Guard is operating, acting through the Commandant of the Coast Guard. SEC. 836. TEMPORARY LIMITATIONS. (a) Limitations.-- (1) In general.--Upon the Coast Guard issuing a certificate of documentation with coastwise and fishery endorsements for the vessel ``AMERICA'S FINEST'' (United States official number 1276760) and during any period such certificate is in effect, and subject to subsection (b), the total amount of groundfish harvested with respect to subparagraph (A) or the total amount of deliveries processed from other vessels with respect to subparagraph (B) by the vessels described in paragraph (2) shall not collectively exceed-- (A) the percentage of the harvest available in any Gulf of Alaska groundfish fisheries (other than fisheries subject to a limited access privilege ***program*** created by the North Pacific Fishery Management Council) that is equivalent to the total harvest by the vessels described in paragraph (2) in those fisheries in the ***calendar*** ***years*** that a vessel described in paragraph (2) had harvest from 2012 through 2017 relative to the total allowable catch available to such vessels in the ***calendar*** ***years*** 2012 through 2017; or (B) the percentage of processing of deliveries from other vessels in any Bering Sea, Aleutian Islands, and Gulf of Alaska groundfish fisheries (including fisheries subject to a limited access privilege ***program*** created by the North Pacific Fishery Management Council, or community development quotas as described in section 305(i) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C 1855(i))) that is equivalent to the total processing of such deliveries by the vessels described in paragraph (2) in those fisheries in the ***calendar*** ***years*** 2012 through 2017 relative to the total allowable catch available in the ***calendar*** ***years*** 2012 through 2017. (2) Applicable vessels.--The limitations described in paragraph (1) shall apply, in the aggregate, to-- (A) the vessel AMERICA'S FINEST (United States official number 1276760); (B) the vessel US INTREPID (United States official number 604439); (C) the vessel AMERICAN NO. 1 (United States official number 610654); (D) any replacement of a vessel described in subparagraph (A), (B), or (C); and (E) any vessel assigned license number LLG3217 under the license limitation ***program*** under part 679 of title 50, Code of Federal Regulations. (b) Expiration.--The limitations described in subsection (a) shall apply to a groundfish species in Bering Sea, Aleutian Islands, and Gulf of Alaska only until the earlier of-- (1) the end of the 6-***year*** period beginning on the date of enactment of this Act; or (2) the date on which the Secretary of Commerce issues a final rule, based on recommendations developed by the North Pacific Fishery Management Council consistent with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C 1801 et seq.), that limits processing deliveries of that groundfish species from other vessels in any Bering Sea, Aleutian Islands, and Gulf of Alaska groundfish fisheries that are not subject to conservation and management measures under section 206 of the American Fisheries Act (16 U.S.C 1851 note). (c) Existing Authority.--Except for the measures required by this section, nothing in this title shall be construed to limit the authority of the North Pacific Fishery Management Council or the Secretary of Commerce under the Magnuson- Stevens Fishery Conservation and Management Act (16 U.S.C 1801 et seq.). SEC. 837. ***TRANSFER*** OF COAST GUARD PROPERTY IN JUPITER ISLAND, FLORIDA, FOR INCLUSION IN HOBE SOUND NATIONAL WILDLIFE REFUGE. (a) ***Transfer***.--Administrative jurisdiction over the property described in subsection (b) is ***transferred*** to the Secretary of the Interior. (b) Property Described.--The property described in this subsection is real property administered by the Coast Guard in the Town of Jupiter Island, Florida, comprising Parcel #35-38-42-004-000-02590-6 (Bon Air Beach lots 259 and 260 located at 83 North Beach Road) and Parcel #35-38-42-004-000- 02610-2 (Bon Air Beach lots 261 to 267), including any improvements thereon that are not authorized or required by another provision of law to be conveyed to another person. (c) Administration.--The property described in subsection (b) is included in Hobe Sound National Wildlife Refuge, and shall be administered by the Secretary of the Interior acting through the United States Fish and Wildlife Service. SEC. 838. EMERGENCY RESPONSE. Not later than 90 days after the date of enactment of this Act, the Commandant of the Coast Guard shall request the National Offshore Safety Advisory Committee to examine whether there are unnecessary regulatory barriers to the use of small passenger vessels, crewboats, and offshore supply vessels in disaster response and provide recommendations, as appropriate, to reduce such barriers. SEC. 839. DRAWBRIDGES CONSULTATION. (a) Consultation.--In addition and subsequent to any rulemaking conducted under section 117.8 of title 33, Code of Federal Regulations, related to permanent changes to drawbridge openings that result from Amtrak service between New Orleans, Louisiana and Orlando, Florida, the Commandant shall consult with owners or operators of rail lines used for Amtrak passenger service between New Orleans, Louisiana and Orlando, Florida and affected waterway users on changes to drawbridge operating schedules necessary to facilitate the On Time Performance of passenger trains. These changes to schedules [[Page S7009]] shall not impact Coast Guard response times to operational missions. (b) Timing.--Consultation in subsection (a) shall occur after commencement of Amtrak passenger service on the rail lines between New Orleans, Louisiana and Orlando, Florida at the following intervals: (1) Not less than 3 months following the commencement of Amtrak passenger service. (2) Not less than 6 months following the commencement of Amtrak passenger service. (c) Report.--If after conducting the consultations required by subsection (b)(2), the Commandant finds that permanent changes to drawbridge operations are necessary to mitigate delays in the movement of trains described in subsection (a) and that those changes do not unreasonably obstruct the navigability of the affected waterways, then the Commandant shall submit those findings to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives. TITLE IX--VESSEL INCIDENTAL DISCHARGE ACT SEC. 901. SHORT TITLE. This title may be cited as the ``Vessel Incidental Discharge Act of 2018''. SEC. 902. PURPOSES; FINDINGS. (a) Purposes.--The purposes of this title are-- (1) to provide for the establishment of uniform, environmentally sound standards and requirements for the management of discharges incidental to the normal operation of a vessel; (2) to charge the Environmental Protection Agency with primary responsibility for establishing standards relating to the discharge of pollutants from vessels; (3) to charge the Coast Guard with primary responsibility for prescribing, administering, and enforcing regulations, consistent with the discharge standards established by the Environmental Protection Agency, for the design, construction, installation, and operation of the equipment and management practices required onboard vessels; and (4) to preserve the flexibility of States, political subdivisions, and certain regions with respect to the administration and enforcement of standards relating to the discharge of pollutants from vessels engaged in maritime commerce and transportation. (b) Findings.--Congress finds that-- (1) the Environmental Protection Agency is the principal Federal authority charged under the Federal Water Pollution Control Act (33 U.S.C 1251 et seq.) with regulating through the issuance of permits for the discharge of pollutants into the navigable waters of the United States; (2) the Coast Guard is the principal Federal authority charged with administering, enforcing, and prescribing regulations relating to the discharge of pollutants from vessels; and (3) during the period of 1973 to 2010-- (A) the Environmental Protection Agency promulgated regulations exempting certain discharges incidental to the normal operation of vessels from otherwise applicable permitting requirements of the Federal Water Pollution Control Act (33 U.S.C 1251 et seq.); and (B) Congress enacted laws on numerous occasions governing the regulation of discharges incidental to the normal operation of vessels, including-- (i) the Act to Prevent Pollution from Ships (33 U.S.C 1901 et seq.); (ii) the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.); (iii) the National Invasive Species Act of 1996 (16 U.S.C 4701 note; Public Law 104-332); (iv) section 415 of the Coast Guard Authorization Act of 1998 (Public Law 105-383; 112 Stat. 3434) and section 623 of the Coast Guard and Maritime Transportation Act of 2004 (33 U.S.C 1901 note; Public Law 108-293), which established interim and permanent requirements, respectively, for the regulation of vessel discharges of certain bulk cargo residue; (v) title XIV of division B of Appendix D of the Consolidated Appropriations Act, 2001 (Public Law 106-554; 114 Stat. 2763A-315), which prohibited or limited certain vessel discharges in certain areas of Alaska; (vi) section 204 of the Maritime Transportation Security Act of 2002 (33 U.S.C 1902a), which established requirements for the regulation of vessel discharges of ***agricultural*** cargo residue material in the form of hold washings; and (vii) title X of the Coast Guard Authorization Act of 2010 (33 U.S.C 3801 et seq.), which provided for the implementation of the International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001. SEC. 903. STANDARDS FOR DISCHARGES INCIDENTAL TO NORMAL OPERATION OF VESSELS. (a) Uniform National Standards.-- (1) In general.--Section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322) is amended by adding at the end the following: ``(p) Uniform National Standards for Discharges Incidental to Normal Operation of Vessels.-- ``(1) Definitions.--In this subsection: ``(A) Aquatic nuisance species.--The term `aquatic nuisance species' means a nonindigenous species that threatens-- ``(i) the diversity or abundance of a native species; ``(ii) the ecological stability of-- ``(I) waters of the United States; or ``(II) waters of the contiguous zone; or ``(iii) a commercial, ***agricultural***, aquacultural, or recreational activity that is dependent on-- ``(I) waters of the United States; or ``(II) waters of the contiguous zone. ``(B) Ballast water.-- ``(i) In general.--The term `ballast water' means any water, suspended matter, and other materials taken onboard a vessel-- ``(I) to control or maintain trim, draught, stability, or stresses of the vessel, regardless of the means by which any such water or suspended matter is carried; or ``(II) during the cleaning, maintenance, or other operation of a ballast tank or ballast water management system of the vessel. ``(ii) Exclusion.--The term `ballast water' does not include any substance that is added to the water described in clause (i) that is directly related to the operation of a properly functioning ballast water management system. ``(C) Ballast water discharge standard.--The term `ballast water discharge standard' means-- ``(i) the numerical ballast water discharge standard established by section 151.1511 or 151.2030 of title 33, Code of Federal Regulations (or successor regulations); or ``(ii) if a standard referred to in clause (i) is superseded by a numerical standard of performance under this subsection, that superseding standard. ``(D) Ballast water exchange.--The term `ballast water exchange' means the replacement of water in a ballast water tank using 1 of the following methods: ``(i) Flow-through exchange, in which ballast water is flushed out by pumping in midocean water at the bottom of the tank if practicable, and continuously overflowing the tank from the top, until 3 full volumes of water have been changed to minimize the number of original organisms remaining in the tank. ``(ii) Empty and refill exchange, in which ballast water taken on in ports, estuarine waters, or territorial waters is pumped out until the pump loses suction, after which the ballast tank is refilled with midocean water. ``(E) Ballast water management system.--The term `ballast water management system' means any marine pollution control device (including all ballast water treatment equipment, ballast tanks, pipes, pumps, and all associated control and monitoring equipment) that processes ballast water-- ``(i) to kill, render nonviable, or remove organisms; or ``(ii) to avoid the uptake or discharge of organisms. ``(F) Best available technology economically achievable.-- The term `best available technology economically achievable' means-- ``(i) best available technology economically achievable (within the meaning of section 301(b)(2)(A)); ``(ii) best available technology (within the meaning of section 304(b)(2)(B)); and ``(iii) best available technology, as determined in accordance with section 125.3(d)(3) of title 40, Code of Federal Regulations (or successor regulations). ``(G) Best conventional pollutant control technology.--The term `best conventional pollutant control technology' means-- ``(i) best conventional pollutant control technology (within the meaning of section 301(b)(2)(E)); ``(ii) best conventional pollutant control technology (within the meaning of section 304(b)(4)); and ``(iii) best conventional pollutant control technology, as determined in accordance with section 125.3(d)(2) of title 40, Code of Federal Regulations (or successor regulations). ``(H) Best management practice.-- ``(i) In general.--The term `best management practice' means a schedule of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of-- ``(I) the waters of the United States; or ``(II) the waters of the contiguous zone. ``(ii) Inclusions.--The term `best management practice' includes any treatment requirement, operating procedure, or practice to control-- ``(I) vessel runoff; ``(II) spillage or leaks; ``(III) sludge or waste disposal; or ``(IV) drainage from raw material storage. ``(I) Best practicable control technology currently available.--The term `best practicable control technology currently available' means-- ``(i) best practicable control technology currently available (within the meaning of section 301(b)(1)(A)); ``(ii) best practicable control technology currently available (within the meaning of section 304(b)(1)); and ``(iii) best practicable control technology currently available, as determined in accordance with section 125.3(d)(1) of title 40, Code of Federal Regulations (or successor regulations). ``(J) Captain of the port zone.--The term `Captain of the Port Zone' means a Captain of the Port Zone established by the Secretary pursuant to sections 92, 93, and 633 of title 14, United States Code. ``(K) Empty ballast tank.--The term `empty ballast tank' means a tank that-- ``(i) has previously held ballast water that has been drained to the limit of the functional or operational capabilities of the tank (such as loss of suction); [[Page S7010]] ``(ii) is recorded as empty on a vessel log; and ``(iii) contains unpumpable residual ballast water and sediment. ``(L) Great lakes commission.--The term `Great Lakes Commission' means the Great Lakes Commission established by article IV A of the Great Lakes Compact to which Congress granted consent in the Act of July 24, 1968 (Public Law 90- 419; 82 Stat. 414). ``(M) Great lakes state.--The term `Great Lakes State' means any of the States of-- ``(i) Illinois; ``(ii) Indiana; ``(iii) Michigan; ``(iv) Minnesota; ``(v) New York; ``(vi) Ohio; ``(vii) Pennsylvania; and ``(viii) Wisconsin. ``(N) Great lakes system.--The term `Great Lakes System' has the meaning given the term in section 118(a)(3). ``(O) Internal waters.--The term `internal waters' has the meaning given the term in section 2.24 of title 33, Code of Federal Regulations (or a successor regulation). ``(P) Marine pollution control device.--The term `marine pollution control device' means any equipment or management practice (or combination of equipment and a management practice), for installation or use onboard a vessel, that is-- ``(i) designed to receive, retain, treat, control, or discharge a discharge incidental to the normal operation of a vessel; and ``(ii) determined by the Administrator and the Secretary to be the most effective equipment or management practice (or combination of equipment and a management practice) to reduce the environmental impacts of the discharge, consistent with the factors for consideration described in paragraphs (4) and (5). ``(Q) Nonindigenous species.--The term `nonindigenous species' means an organism of a species that enters an ecosystem beyond the historic range of the species. ``(R) Organism.--The term `organism' includes-- ``(i) an animal, including fish and fish eggs and larvae; ``(ii) a plant; ``(iii) a pathogen; ``(iv) a microbe; ``(v) a virus; ``(vi) a prokaryote (including any archean or bacterium); ``(vii) a fungus; and ``(viii) a protist. ``(S) Pacific region.-- ``(i) In general.--The term `Pacific Region' means any Federal or State water-- ``(I) adjacent to the State of Alaska, California, Hawaii, Oregon, or Washington; and ``(II) extending from shore. ``(ii) Inclusion.--The term `Pacific Region' includes the entire exclusive economic zone (as defined in section 1001 of the Oil Pollution Act of 1990 (33 U.S.C 2701)) adjacent to each State described in clause (i)(I). ``(T) Port or place of destination.--The term `port or place of destination' means a port or place to which a vessel is bound to anchor or moor. ``(U) Render nonviable.--The term `render nonviable', with respect to an organism in ballast water, means the action of a ballast water management system that renders the organism permanently incapable of reproduction following treatment. ``(V) Saltwater flush.-- ``(i) In general.--The term `saltwater flush' means-- ``(I)(aa) the addition of as much midocean water into each empty ballast tank of a vessel as is safe for the vessel and crew; and ``(bb) the mixing of the flushwater with residual ballast water and sediment through the motion of the vessel; and ``(II) the discharge of that mixed water, such that the resultant residual water remaining in the tank-- ``(aa) has the highest salinity possible; and ``(bb) is at least 30 parts per thousand. ``(ii) Multiple sequences.--For purposes of clause (i), a saltwater flush may require more than 1 fill-mix-empty sequence, particularly if only small quantities of water can be safely taken onboard a vessel at 1 time. ``(W) Secretary.--The term `Secretary' means the Secretary of the department in which the Coast Guard is operating. ``(X) Small vessel general permit.--The term `Small Vessel General Permit' means the permit that is the subject of the notice of final permit issuance entitled `Final National Pollutant Discharge Elimination System (NPDES) Small Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels Less Than 79 Feet' (79 Fed. Reg. 53702 (September 10, 2014)). ``(Y) Small vessel or fishing vessel.--The term `small vessel or fishing vessel' means a vessel that is-- ``(i) less than 79 feet in length; or ``(ii) a fishing vessel, fish processing vessel, or fish tender vessel (as those terms are defined in section 2101 of title 46, United States Code), regardless of the length of the vessel. ``(Z) Vessel general permit.--The term `Vessel General Permit' means the permit that is the subject of the notice of final permit issuance entitled `Final National Pollutant Discharge Elimination System (NPDES) General Permit for Discharges Incidental to the Normal Operation of a Vessel' (78 Fed. Reg. 21938 (April 12, 2013)). ``(2) Applicability.-- ``(A) In general.--Except as provided in subparagraph (B), this subsection applies to-- ``(i) any discharge incidental to the normal operation of a vessel; and ``(ii) any discharge incidental to the normal operation of a vessel (such as most graywater) that is commingled with sewage, subject to the conditions that-- ``(I) nothing in this subsection prevents a State from regulating sewage discharges; and ``(II) any such commingled discharge shall comply with all applicable requirements of-- ``(aa) this subsection; and ``(bb) any law applicable to discharges of sewage. ``(B) Exclusion.--This subsection does not apply to any discharge incidental to the normal operation of a vessel-- ``(i) from-- ``(I) a vessel of the Armed Forces subject to subsection (n); ``(II) a recreational vessel subject to subsection (o); ``(III) a small vessel or fishing vessel, except that this subsection shall apply to any discharge of ballast water from a small vessel or fishing vessel; or ``(IV) a floating craft that is permanently moored to a pier, including a `floating' casino, hotel, restaurant, or bar; ``(ii) of ballast water from a vessel-- ``(I) that continuously takes on and discharges ballast water in a flow-through system, if the Administrator determines that system cannot materially contribute to the spread or introduction of an aquatic nuisance species into waters of the United States; ``(II) in the National Defense Reserve Fleet that is scheduled for disposal, if the vessel does not have an operable ballast water management system; ``(III) that discharges ballast water consisting solely of water taken onboard from a public or commercial source that, at the time the water is taken onboard, meets the applicable requirements or permit requirements of the Safe Drinking Water Act (42 U.S.C 300f et seq.); ``(IV) that carries all permanent ballast water in sealed tanks that are not subject to discharge; or ``(V) that only discharges ballast water into a reception facility; or ``(iii) that results from, or contains material derived from, an activity other than the normal operation of the vessel, such as material resulting from an industrial or manufacturing process onboard the vessel. ``(3) Continuation in effect of existing requirements.-- ``(A) Vessel general permit.--Notwithstanding the expiration date of the Vessel General Permit or any other provision of law, all provisions of the Vessel General Permit shall remain in force and effect, and shall not be modified, until the applicable date described in subparagraph (C). ``(B) Nonindigenous aquatic nuisance prevention and control act regulations.--Notwithstanding section 903(a)(2)(A) of the Vessel Incidental Discharge Act of 2018, all regulations promulgated by the Secretary pursuant to section 1101 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4711) (as in effect on the day before the date of enactment of this subsection), including the regulations contained in subparts C and D of part 151 of title 33, Code of Federal Regulations, and subpart 162.060 of part 162 of title 46, Code of Federal Regulations (as in effect on the day before that date of enactment), shall remain in force and effect until the applicable date described in subparagraph (C). ``(C) Repeal on existence of final, effective, and enforceable requirements.--Effective beginning on the date on which the requirements promulgated by the Secretary under subparagraphs (A), (B), and (C) of paragraph (5) with respect to every discharge incidental to the normal operation of a vessel that is subject to regulation under this subsection are final, effective, and enforceable, the requirements of the Vessel General Permit and the regulations described in subparagraph (B) shall have no force or effect. ``(4) National standards of performance for marine pollution control devices and water quality orders.-- ``(A) Establishment.-- ``(i) In general.--Not later than 2 ***years*** after the date of enactment of this subsection, the Administrator, in concurrence with the Secretary (subject to clause (ii)), and in consultation with interested Governors (subject to clause (iii)), shall promulgate Federal standards of performance for marine pollution control devices for each type of discharge incidental to the normal operation of a vessel that is subject to regulation under this subsection. ``(ii) Concurrence with secretary.-- ``(I) Request.--The Administrator shall submit to the Secretary a request for written concurrence with respect to a proposed standard of performance under clause (i). ``(II) Effect of failure to concur.--A failure by the Secretary to concur with the Administrator under clause (i) by the date that is 60 days after the date on which the Administrator submits a request for concurrence under subclause (I) shall not prevent the Administrator from promulgating the relevant standard of performance in accordance with the deadline under clause (i), subject to the condition that the Administrator shall include in the administrative record of the promulgation-- [[Page S7011]] ``(aa) documentation of the request submitted under subclause (I); and ``(bb) the response of the Administrator to any written objections received from the Secretary relating to the proposed standard of performance during the 60-day period beginning on the date of submission of the request. ``(iii) Consultation with governors.-- ``(I) In general.--The Administrator, in promulgating a standard of performance under clause (i), shall develop the standard of performance-- ``(aa) in consultation with interested Governors; and ``(bb) in accordance with the deadlines under that clause. ``(II) Process.--The Administrator shall develop a process for soliciting input from interested Governors, including information sharing relevant to such process, to allow interested Governors to inform the development of standards of performance under clause (i). ``(III) Objection by governors.-- ``(aa) Submission.--An interested Governor that objects to a proposed standard of performance under clause (i) may submit to the Administrator in writing a detailed objection to the proposed standard of performance, describing the scientific, technical, or operational factors that form the basis of the objection. ``(bb) Response.--Before finalizing a standard of performance under clause (i) that is subject to an objection under item (aa) from 1 or more interested Governors, the Administrator shall provide a written response to each interested Governor that submitted an objection under that item that details the scientific, technical, or operational factors that form the basis for that standard of performance. ``(cc) Judicial review.--A response of the Administrator under item (bb) shall not be subject to judicial review. ``(iv) Procedure.--The Administrator shall promulgate the standards of performance under this subparagraph in accordance with-- ``(I) this paragraph; and ``(II) section 553 of title 5, United States Code. ``(B) Stringency.-- ``(i) In general.--Subject to clause (iii), the standards of performance promulgated under this paragraph shall require-- ``(I) with respect to conventional pollutants, toxic pollutants, and nonconventional pollutants (including aquatic nuisance species), the application of the best practicable control technology currently available; ``(II) with respect to conventional pollutants, the application of the best conventional pollutant control technology; and ``(III) with respect to toxic pollutants and nonconventional pollutants (including aquatic nuisance species), the application of the best available technology economically achievable for categories and classes of vessels, which shall result in reasonable progress toward the national goal of eliminating discharges of all pollutants. ``(ii) Best management practices.--The Administrator shall require the use of best management practices to control or abate any discharge incidental to the normal operation of a vessel if-- ``(I) numeric standards of performance are infeasible under clause (i); or ``(II) the best management practices are reasonably necessary-- ``(aa) to achieve the standards of performance; or ``(bb) to carry out the purpose and intent of this subsection. ``(iii) Minimum requirements.--Subject to subparagraph (D)(ii)(II), the combination of any equipment or best management practice comprising a marine pollution control device shall not be less stringent than the following provisions of the Vessel General Permit: ``(I) All requirements contained in parts 2.1 and 2.2 (relating to effluent limits and related requirements), including with respect to waters subject to Federal protection, in whole or in part, for conservation purposes. ``(II) All requirements contained in part 5 (relating to vessel class-specific requirements) that concern effluent limits and authorized discharges (within the meaning of that part), including with respect to waters subject to Federal protection, in whole or in part, for conservation purposes. ``(C) Classes, types, and sizes of vessels.--The standards promulgated under this paragraph may distinguish-- ``(i) among classes, types, and sizes of vessels; and ``(ii) between new vessels and existing vessels. ``(D) Review and revision.-- ``(i) In general.--Not less frequently than once every 5 ***years***, the Administrator, in consultation with the Secretary, shall-- ``(I) review the standards of performance in effect under this paragraph; and ``(II) if appropriate, revise those standards of performance-- ``(aa) in accordance with subparagraphs (A) through (C); and ``(bb) as necessary to establish requirements for any discharge that is subject to regulation under this subsection. ``(ii) Maintaining protectiveness.-- ``(I) In general.--Except as provided in subclause (II), the Administrator shall not revise a standard of performance under this subsection to be less stringent than an applicable existing requirement. ``(II) Exceptions.--The Administrator may revise a standard of performance to be less stringent than an applicable existing requirement-- ``(aa) if information becomes available that-- ``(AA) was not reasonably available when the Administrator promulgated the initial standard of performance or comparable requirement of the Vessel General Permit, as applicable (including the subsequent scarcity or unavailability of materials used to control the relevant discharge); and ``(BB) would have justified the application of a less- stringent standard of performance at the time of promulgation; or ``(bb) if the Administrator determines that a material technical mistake or misinterpretation of law occurred when promulgating the existing standard of performance or comparable requirement of the Vessel General Permit, as applicable. ``(E) Best management practices for aquatic nuisance species emergencies and further protection of water quality.-- ``(i) In general.--Notwithstanding any other provision of this subsection, the Administrator, in concurrence with the Secretary (subject to clause (ii)), and in consultation with States, may require, by order, the use of an emergency best management practice for any region or category of vessels in any case in which the Administrator determines that such a best management practice-- ``(I) is necessary to reduce the reasonably foreseeable risk of introduction or establishment of an aquatic nuisance species; or ``(II) will mitigate the adverse effects of a discharge that contributes to a violation of a water quality requirement under section 303, other than a requirement based on the presence of an aquatic nuisance species. ``(ii) Concurrence with secretary.-- ``(I) Request.--The Administrator shall submit to the Secretary a request for written concurrence with respect to an order under clause (i). ``(II) Effect of failure to concur.--A failure by the Secretary to concur with the Administrator under clause (i) by the date that is 60 days after the date on which the Administrator submits a request for concurrence under subclause (I) shall not prevent the Administrator from issuing the relevant order, subject to the condition that the Administrator shall include in the administrative record of the issuance-- ``(aa) documentation of the request submitted under subclause (I); and ``(bb) the response of the Administrator to any written objections received from the Secretary relating to the proposed order during the 60-day period beginning on the date of submission of the request. ``(iii) Duration.--An order issued by the Administrator under clause (i) shall expire not later than the date that is 4 ***years*** after the date of issuance. ``(iv) Extensions.--The Administrator may reissue an order under clause (i) for such subsequent periods of not longer than 4 ***years*** as the Administrator determines to be appropriate. ``(5) Implementation, compliance, and enforcement requirements.-- ``(A) Establishment.-- ``(i) In general.--As soon as practicable, but not later than 2 ***years***, after the date on which the Administrator promulgates any new or revised standard of performance under paragraph (4) with respect to a discharge, the Secretary, in consultation with States, shall promulgate the regulations required under this paragraph with respect to that discharge. ``(ii) Minimum requirements.--Subject to subparagraph (C)(ii)(II), the regulations promulgated under this paragraph shall not be less stringent with respect to ensuring, monitoring, and enforcing compliance than-- ``(I) the requirements contained in part 3 of the Vessel General Permit (relating to corrective actions); ``(II) the requirements contained in part 4 of the Vessel General Permit (relating to inspections, monitoring, reporting, and recordkeeping), including with respect to waters subject to Federal protection, in whole or in part, for conservation purposes; ``(III) the requirements contained in part 5 of the Vessel General Permit (relating to vessel class-specific requirements) regarding monitoring, inspection, and educational and training requirements (within the meaning of that part), including with respect to waters subject to Federal protection, in whole or in part, for conservation purposes; and ``(IV) any comparable, existing requirements promulgated under the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.) (including section 1101 of that Act (16 U.S.C 4711) (as in effect on the day before the date of enactment of this subsection)) applicable to that discharge. ``(iii) Coordination with states.--The Secretary, in coordination with the Governors of the States, shall develop, publish, and periodically update inspection, monitoring, data management, and enforcement procedures for the enforcement by States of Federal standards and requirements under this subsection. ``(iv) Effective date.--In determining the effective date of a regulation promulgated under this paragraph, the Secretary shall take into consideration the period of time necessary-- ``(I) to communicate to affected persons the applicability of the regulation; and ``(II) for affected persons reasonably to comply with the regulation. [[Page S7012]] ``(v) Procedure.--The Secretary shall promulgate the regulations under this subparagraph in accordance with-- ``(I) this paragraph; and ``(II) section 553 of title 5, United States Code. ``(B) Implementation regulations for marine pollution control devices.--The Secretary shall promulgate such regulations governing the design, construction, testing, approval, installation, and use of marine pollution control devices as are necessary to ensure compliance with the standards of performance promulgated under paragraph (4). ``(C) Compliance assurance.-- ``(i) In general.--The Secretary shall promulgate requirements (including requirements for vessel owners and operators with respect to inspections, monitoring, reporting, sampling, and recordkeeping) to ensure, monitor, and enforce compliance with-- ``(I) the standards of performance promulgated by the Administrator under paragraph (4); and ``(II) the implementation regulations promulgated by the Secretary under subparagraph (B). ``(ii) Maintaining protectiveness.-- ``(I) In general.--Except as provided in subclause (II), the Secretary shall not revise a requirement under this subparagraph or subparagraph (B) to be less stringent with respect to ensuring, monitoring, or enforcing compliance than an applicable existing requirement. ``(II) Exceptions.--The Secretary may revise a requirement under this subparagraph or subparagraph (B) to be less stringent than an applicable existing requirement-- ``(aa) in accordance with this subparagraph or subparagraph (B), as applicable; ``(bb) if information becomes available that-- ``(AA) the Administrator determines was not reasonably available when the Administrator promulgated the existing requirement of the Vessel General Permit, or that the Secretary determines was not reasonably available when the Secretary promulgated the existing requirement under the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.) or the applicable existing requirement under this subparagraph, as applicable (including subsequent scarcity or unavailability of materials used to control the relevant discharge); and ``(BB) would have justified the application of a less- stringent requirement at the time of promulgation; or ``(cc) if the Administrator determines that a material technical mistake or misinterpretation of law occurred when promulgating an existing requirement of the Vessel General Permit, or if the Secretary determines that a material mistake or misinterpretation of law occurred when promulgating an existing requirement under the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.) or this subsection. ``(D) Data availability.--Beginning not later than 1 ***year*** after the date of enactment of this subsection, the Secretary shall provide to the Governor of a State, on request by the Governor, access to Automated Identification System arrival data for inbound vessels to specific ports or places of destination in the State. ``(6) Additional provisions regarding ballast water.-- ``(A) In general.--In addition to the other applicable requirements of this subsection, the requirements of this paragraph shall apply with respect to any discharge incidental to the normal operation of a vessel that is a discharge of ballast water. ``(B) Empty ballast tanks.-- ``(i) Requirements.--Except as provided in clause (ii), the owner or operator of a vessel with empty ballast tanks bound for a port or place of destination subject to the jurisdiction of the United States shall, prior to arriving at that port or place of destination, conduct a ballast water exchange or saltwater flush-- ``(I) not less than 200 nautical miles from any shore for a voyage originating outside the United States or Canadian exclusive economic zone; or ``(II) not less than 50 nautical miles from any shore for a voyage originating within the United States or Canadian exclusive economic zone. ``(ii) Exceptions.--Clause (i) shall not apply-- ``(I) if the unpumpable residual waters and sediments of an empty ballast tank were subject to treatment, in compliance with applicable requirements, through a type-approved ballast water management system approved by the Secretary; ``(II) except as otherwise required under this subsection, if the unpumpable residual waters and sediments of an empty ballast tank were sourced within-- ``(aa) the same port or place of destination; or ``(bb) contiguous portions of a single Captain of the Port Zone; ``(III) if complying with an applicable requirement of clause (i)-- ``(aa) would compromise the safety of the vessel; or ``(bb) is otherwise prohibited by any Federal, Canadian, or international law (including regulations) pertaining to vessel safety; ``(IV) if design limitations of the vessel prevent a ballast water exchange or saltwater flush from being conducted in accordance with clause (i); or ``(V) if the vessel is operating exclusively within the internal waters of the United States or Canada. ``(C) Period of use of installed ballast water management systems.-- ``(i) In general.--Except as provided in clause (ii), a vessel shall be deemed to be in compliance with a standard of performance for a marine pollution control device that is a ballast water management system if the ballast water management system-- ``(I) is maintained in proper working condition, as determined by the Secretary; ``(II) is maintained and used in accordance with manufacturer specifications; ``(III) continues to meet the ballast water discharge standard applicable to the vessel at the time of installation, as determined by the Secretary; and ``(IV) has in effect a valid type-approval certificate issued by the Secretary. ``(ii) Limitation.--Clause (i) shall cease to apply with respect to any vessel on, as applicable-- ``(I) the expiration of the service life, as determined by the Secretary, of-- ``(aa) the ballast water management system; or ``(bb) the vessel; ``(II) the completion of a major conversion (as defined in section 2101 of title 46, United States Code) of the vessel; or ``(III) a determination by the Secretary that there are other type-approved systems for the vessel or category of vessels, with respect to the use of which the environmental, health, and economic benefits would exceed the costs. ``(D) Review of ballast water management system type- approval testing methods.-- ``(i) Definition of live; living.--Notwithstanding any other provision of law (including regulations), for purposes of section 151.1511 of title 33, and part 162 of title 46, Code of Federal Regulations (or successor regulations), the terms `live' and `living' shall not-- ``(I) include an organism that has been rendered nonviable; or ``(II) preclude the consideration of any method of measuring the concentration of organisms in ballast water that are capable of reproduction. ``(ii) Draft policy.--Not later than 180 days after the date of enactment of this subsection, the Secretary, in coordination with the Administrator, shall publish a draft policy letter, based on the best available science, describing type-approval testing methods and protocols for ballast water management systems, if any, that-- ``(I) render nonviable organisms in ballast water; and ``(II) may be used in addition to the methods established under subpart 162.060 of title 46, Code of Federal Regulations (or successor regulations)-- ``(aa) to measure the concentration of organisms in ballast water that are capable of reproduction; ``(bb) to certify the performance of each ballast water management system under this subsection; and ``(cc) to certify laboratories to evaluate applicable treatment technologies. ``(iii) Public comment.--The Secretary shall provide a period of not more than 60 days for public comment regarding the draft policy letter published under clause (ii). ``(iv) Final policy.-- ``(I) In general.--Not later than 1 ***year*** after the date of enactment of this subsection, the Secretary, in coordination with the Administrator, shall publish a final policy letter describing type-approval testing methods, if any, for ballast water management systems that render nonviable organisms in ballast water. ``(II) Method of evaluation.--The ballast water management systems under subclause (I) shall be evaluated by measuring the concentration of organisms in ballast water that are capable of reproduction based on the best available science that may be used in addition to the methods established under subpart 162.060 of title 46, Code of Federal Regulations (or successor regulations). ``(III) Revisions.--The Secretary shall revise the final policy letter under subclause (I) in any case in which the Secretary, in coordination with the Administrator, determines that additional testing methods are capable of measuring the concentration of organisms in ballast water that have not been rendered nonviable. ``(v) Factors for consideration.--In developing a policy letter under this subparagraph, the Secretary, in coordination with the Administrator-- ``(I) shall take into consideration a testing method that uses organism grow-out and most probable number statistical analysis to determine the concentration of organisms in ballast water that are capable of reproduction; and ``(II) shall not take into consideration a testing method that relies on a staining method that measures the concentration of-- ``(aa) organisms greater than or equal to 10 micrometers; and ``(bb) organisms less than or equal to 50 micrometers. ``(E) Intergovernmental response framework.-- ``(i) In general.--The Secretary, in consultation with the Administrator and acting in coordination with, or through, the Aquatic Nuisance Species Task Force established by section 1201(a) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4721(a)), shall establish [[Page S7013]] a framework for Federal and intergovernmental response to aquatic nuisance species risks from discharges from vessels subject to ballast water and incidental discharge compliance requirements under this subsection, including the introduction, spread, and establishment of aquatic nuisance species populations. ``(ii) Ballast discharge risk response.--The Administrator, in coordination with the Secretary and taking into consideration information from the National Ballast Information Clearinghouse developed under section 1102(f) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4712(f)), shall establish a risk assessment and response framework using ballast water discharge data and aquatic nuisance species monitoring data for the purposes of-- ``(I) identifying and tracking populations of aquatic invasive species; ``(II) evaluating the risk of any aquatic nuisance species population tracked under subclause (I) establishing and spreading in waters of the United States or waters of the contiguous zone; and ``(III) establishing emergency best management practices that may be deployed rapidly, in a local or regional manner, to respond to emerging aquatic nuisance species threats. ``(7) Petitions by governors for review.-- ``(A) In general.--The Governor of a State (or a designee) may submit to the Administrator or the Secretary a petition-- ``(i) to issue an order under paragraph (4)(E); or ``(ii) to review any standard of performance, regulation, or policy promulgated under paragraph (4), (5), or (6), respectively, if there exists new information that could reasonably result in a change to-- ``(I) the standard of performance, regulation, or policy; or ``(II) a determination on which the standard of performance, regulation, or policy was based. ``(B) Inclusion.--A petition under subparagraph (A) shall include a description of any applicable scientific or technical information that forms the basis of the petition. ``(C) Determination.-- ``(i) Timing.--The Administrator or the Secretary, as applicable, shall grant or deny-- ``(I) a petition under subparagraph (A)(i) by not later than the date that is 180 days after the date on which the petition is submitted; and ``(II) a petition under subparagraph (A)(ii) by not later than the date that is 1 ***year*** after the date on which the petition is submitted. ``(ii) Effect of grant.--If the Administrator or the Secretary determines under clause (i) to grant a petition-- ``(I) in the case of a petition under subparagraph (A)(i), the Administrator shall immediately issue the relevant order under paragraph (4)(E); or ``(II) in the case of a petition under subparagraph (A)(ii), the Administrator or Secretary shall publish in the Federal Register, by not later than 30 days after the date of that determination, a notice of proposed rulemaking to revise the relevant standard, requirement, regulation, or policy under paragraph (4), (5), or (6), as applicable. ``(iii) Notice of denial.--If the Administrator or the Secretary determines under clause (i) to deny a petition, the Administrator or Secretary shall publish in the Federal Register, by not later than 30 days after the date of that determination, a detailed explanation of the scientific, technical, or operational factors that form the basis of the determination. ``(iv) Review.--A determination by the Administrator or the Secretary under clause (i) to deny a petition shall be-- ``(I) considered to be a final agency action; and ``(II) subject to judicial review in accordance with section 509, subject to clause (v). ``(v) Exceptions.-- ``(I) Venue.--Notwithstanding section 509(b), a petition for review of a determination by the Administrator or the Secretary under clause (i) to deny a petition submitted by the Governor of a State under subparagraph (A) may be filed in any United States district court of competent jurisdiction. ``(II) Deadline for filing.--Notwithstanding section 509(b), a petition for review of a determination by the Administrator or the Secretary under clause (i) shall be filed by not later than 180 days after the date on which the justification for the determination is published in the Federal Register under clause (iii). ``(8) Prohibition.-- ``(A) In general.--It shall be unlawful for any person to violate-- ``(i) a provision of the Vessel General Permit in force and effect under paragraph (3)(A); ``(ii) a regulation promulgated pursuant to section 1101 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4711) (as in effect on the day before the date of enactment of this subsection) in force and effect under paragraph (3)(B); or ``(iii) an applicable requirement or regulation under this subsection. ``(B) Compliance with regulations.--Effective beginning on the effective date of a regulation promulgated under paragraph (4), (5), (6), or (10), as applicable, it shall be unlawful for the owner or operator of a vessel subject to the regulation-- ``(i) to discharge any discharge incidental to the normal operation of the vessel into waters of the United States or waters of the contiguous zone, except in compliance with the regulation; or ``(ii) to operate in waters of the United States or waters of the contiguous zone, if the vessel is not equipped with a required marine pollution control device that complies with the requirements established under this subsection, unless-- ``(I) the owner or operator of the vessel denotes in an entry in the official logbook of the vessel that the equipment was not operational; and ``(II) either-- ``(aa) the applicable discharge was avoided; or ``(bb) an alternate compliance option approved by the Secretary as meeting the applicable standard was employed. ``(C) Affirmative defense.--No person shall be found to be in violation of this paragraph if-- ``(i) the violation was in the interest of ensuring the safety of life at sea, as determined by the Secretary; and ``(ii) the applicable emergency circumstance was not the result of negligence or malfeasance on the part of-- ``(I) the owner or operator of the vessel; ``(II) the master of the vessel; or ``(III) the person in charge of the vessel. ``(D) Treatment.--Each day of continuing violation of an applicable requirement of this subsection shall constitute a separate offense. ``(E) In rem liability.--A vessel operated in violation of this subsection is liable in rem for any civil penalty assessed for the violation. ``(F) Revocation of clearance.--The Secretary shall withhold or revoke the clearance of a vessel required under section 60105 of title 46, United States Code, if the owner or operator of the vessel is in violation of this subsection. ``(9) Effect on other laws.-- ``(A) State authority.-- ``(i) In general.--Except as provided in clauses (ii) through (v) and paragraph (10), effective beginning on the date on which the requirements promulgated by the Secretary under subparagraphs (A), (B), and (C) of paragraph (5) with respect to every discharge incidental to the normal operation of a vessel that is subject to regulation under this subsection are final, effective, and enforceable, no State, political subdivision of a State, or interstate agency may adopt or enforce any law, regulation, or other requirement of the State, political subdivision, or interstate agency with respect to any such discharge. ``(ii) Identical or lesser state laws.--Clause (i) shall not apply to any law, regulation, or other requirement of a State, political subdivision of a State, or interstate agency in effect on or after the date of enactment of this subsection-- ``(I) that is identical to a Federal requirement under this subsection applicable to the relevant discharge; or ``(II) compliance with which would be achieved concurrently in achieving compliance with a Federal requirement under this subsection applicable to the relevant discharge. ``(iii) State enforcement of federal requirements.--A State may enforce any standard of performance or other Federal requirement of this subsection in accordance with subsection (k) or other applicable Federal authority. ``(iv) Exception for certain fees.-- ``(I) In general.--Subject to subclauses (II) and (III), a State that assesses any fee pursuant to any State or Federal law relating to the regulation of a discharge incidental to the normal operation of a vessel before the date of enactment of this subsection may assess or retain a fee to cover the costs of administration, inspection, monitoring, and enforcement activities by the State to achieve compliance with the applicable requirements of this subsection. ``(II) Maximum amount.-- ``(aa) In general.--Except as provided in item (bb), a State may assess a fee for activities under this clause equal to not more than $1,000 against the owner or operator of a vessel that-- ``(AA) has operated outside of that State; and ``(BB) arrives at a port or place of destination in the State (excluding movement entirely within a single port or place of destination). ``(bb) Vessels engaged in coastwise trade.--A State may assess against the owner or operator of a vessel registered in accordance with applicable Federal law and lawfully engaged in the coastwise trade not more than $5,000 in fees under this clause per vessel during a ***calendar*** ***year***. ``(III) Adjustment for inflation.-- ``(aa) In general.--A State may adjust the amount of a fee authorized under this clause not more frequently than once every 5 ***years*** to reflect the percentage by which the Consumer Price Index for All Urban Consumers published by the Department of Labor for the month of October immediately preceding the date of adjustment exceeds the Consumer Price Index for All Urban Consumers published by the Department of Labor for the month of October that immediately precedes the date that is 5 ***years*** before the date of adjustment. ``(bb) Effect of subclause.--Nothing in this subclause prevents a State from adjusting a fee in effect before the date of enactment of this subsection to the applicable maximum amount under subclause (II). [[Page S7014]] ``(cc) Applicability.--This subclause applies only to increases in fees to amounts greater than the applicable maximum amount under subclause (II). ``(v) Alaska graywater.--Clause (i) shall not apply with respect to any discharge of graywater (as defined in section 1414 of the Consolidated Appropriations Act, 2001 (Public Law 106-554; 114 Stat. 2763A-323)) from a passenger vessel (as defined in section 2101 of title 46, United States Code) in the State of Alaska (including all waters in the Alexander Archipelago) carrying 50 or more passengers. ``(vi) Preservation of authority.--Nothing in this subsection preempts any State law, public initiative, referendum, regulation, requirement, or other State action, except as expressly provided in this subsection. ``(B) Established regimes.--Except as expressly provided in this subsection, nothing in this subsection affects the applicability to a vessel of any other provision of Federal law, including-- ``(i) this section; ``(ii) section 311; ``(iii) the Act to Prevent Pollution from Ships (33 U.S.C 1901 et seq.); and ``(iv) title X of the Coast Guard Authorization Act of 2010 (33 U.S.C 3801 et seq.). ``(C) Permitting.--Effective beginning on the date of enactment of this subsection-- ``(i) the Small Vessel General Permit is repealed; and ``(ii) the Administrator, or a State in the case of a permit ***program*** approved under section 402, shall not require, or in any way modify, a permit under that section for-- ``(I) any discharge that is subject to regulation under this subsection; ``(II) any discharge incidental to the normal operation of a vessel from a small vessel or fishing vessel, regardless of whether that discharge is subject to regulation under this subsection; or ``(III) any discharge described in paragraph (2)(B)(ii). ``(D) No effect on civil or criminal actions.--Nothing in this subsection, or any standard, regulation, or requirement established under this subsection, modifies or otherwise affects, preempts, or displaces-- ``(i) any cause of action; or ``(ii) any provision of Federal or State law establishing a remedy for civil relief or criminal penalty. ``(E) No effect on certain secretarial authority.--Nothing in this subsection affects the authority of the Secretary of Commerce or the Secretary of the Interior to administer any land or waters under the administrative control of the Secretary of Commerce or the Secretary of the Interior, respectively. ``(F) No limitation on state inspection authority.--Nothing in this subsection limits the authority of a State to inspect a vessel pursuant to paragraph (5)(A)(iii) in order to monitor compliance with an applicable requirement of this section. ``(10) Additional regional requirements.-- ``(A) Minimum great lakes system requirements.-- ``(i) In general.--Except as provided in clause (ii), the owner or operator of a vessel entering the St. Lawrence Seaway through the mouth of the St. Lawrence River shall conduct a complete ballast water exchange or saltwater flush-- ``(I) not less than 200 nautical miles from any shore for a voyage originating outside the United States or Canadian exclusive economic zone; or ``(II) not less than 50 nautical miles from any shore for a voyage originating within the United States or Canadian exclusive economic zone. ``(ii) Exceptions.--Clause (i) shall not apply to a vessel if-- ``(I) complying with an applicable requirement of clause (i)-- ``(aa) would compromise the safety of the vessel; or ``(bb) is otherwise prohibited by any Federal, Canadian, or international law (including regulations) pertaining to vessel safety; ``(II) design limitations of the vessel prevent a ballast water exchange from being conducted in accordance with an applicable requirement of clause (i); ``(III) the vessel-- ``(aa) is certified by the Secretary as having no residual ballast water or sediments onboard; or ``(bb) retains all ballast water while in waters subject to the requirement; or ``(IV) empty ballast tanks on the vessel are sealed and certified by the Secretary in a manner that ensures that-- ``(aa) no discharge or uptake occurs; and ``(bb) any subsequent discharge of ballast water is subject to the requirement. ``(B) Enhanced great lakes system requirements.-- ``(i) Petitions by governors for proposed enhanced standards and requirements.-- ``(I) In general.--The Governor of a Great Lakes State (or a State employee designee) may submit a petition in accordance with subclause (II) to propose that other Governors of Great Lakes States endorse an enhanced standard of performance or other requirement with respect to any discharge that-- ``(aa) is subject to regulation under this subsection; and ``(bb) occurs within the Great Lakes System. ``(II) Submission.--A Governor shall submit a petition under subclause (I), in writing, to-- ``(aa) the Executive Director of the Great Lakes Commission, in such manner as may be prescribed by the Great Lakes Commission; ``(bb) the Governor of each other Great Lakes State; and ``(cc) the Director of the Great Lakes National ***Program*** Office established by section 118(b). ``(III) Preliminary assessment by great lakes commission.-- ``(aa) In general.--After the date of receipt of a petition under subclause (II)(aa), the Great Lakes Commission (acting through the Great Lakes Panel on Aquatic Nuisance Species, to the maximum extent practicable) may develop a preliminary assessment regarding each enhanced standard of performance or other requirement described in the petition. ``(bb) Provisions.--The preliminary assessment developed by the Great Lakes Commission under item (aa)-- ``(AA) may be developed in consultation with relevant experts and stakeholders; ``(BB) may be narrative in nature; ``(CC) may include the preliminary views, if any, of the Great Lakes Commission on the propriety of the proposed enhanced standard of performance or other requirement; ``(DD) shall be submitted, in writing, to the Governor of each Great Lakes State and the Director of the Great Lakes National ***Program*** Office and published on the internet website of the Great Lakes National ***Program*** Office; and ``(EE) except as provided in clause (iii), shall not be taken into consideration, or provide a basis for review, by the Administrator or the Secretary for purposes of that clause. ``(ii) Proposed enhanced standards and requirements.-- ``(I) Publication in federal register.-- ``(aa) Request by governor.--Not earlier than the date that is 90 days after the date on which the Executive Director of the Great Lakes Commission receives from a Governor of a Great Lakes State a petition under clause (i)(II)(aa), the Governor may request the Director of the Great Lakes National ***Program*** Office to publish, for a period requested by the Governor of not less than 30 days, and the Director shall so publish, in the Federal Register for public comment-- ``(AA) a copy of the petition; and ``(BB) if applicable as of the date of publication, any preliminary assessment of the Great Lakes Commission developed under clause (i)(III) relating to the petition. ``(bb) Review of public comments.--On receipt of a written request of a Governor of a Great Lakes State, the Director of the Great Lakes National ***Program*** Office shall make available all public comments received in response to the notice under item (aa). ``(cc) No response required.--Notwithstanding any other provision of law, a Governor of a Great Lakes State or the Director of the Great Lakes National ***Program*** Office shall not be required to provide a response to any comment received in response to the publication of a petition or preliminary assessment under item (aa). ``(dd) Purpose.--Any public comments received in response to the publication of a petition or preliminary assessment under item (aa) shall be used solely for the purpose of providing information and feedback to the Governor of each Great Lakes State regarding the decision to endorse the proposed standard or requirement. ``(ee) Effect of petition.--A proposed standard or requirement developed under subclause (II) may differ from the proposed standard or requirement described in a petition published under item (aa). ``(II) Coordination to develop proposed standard or requirement.--After the expiration of the public comment period for the petition under subclause (I), any interested Governor of a Great Lakes State may work in coordination with the Great Lakes Commission to develop a proposed standard of performance or other requirement applicable to a discharge referred to in the petition. ``(III) Requirements.--A proposed standard of performance or other requirement under subclause (II)-- ``(aa) shall be developed-- ``(AA) in consultation with representatives from the Federal and provincial governments of Canada; ``(BB) after notice and opportunity for public comment on the petition published under subclause (I); and ``(CC) taking into consideration the preliminary assessment, if any, of the Great Lakes Commission under clause (i)(III); ``(bb) shall be specifically endorsed in writing by-- ``(AA) the Governor of each Great Lakes State, if the proposed standard or requirement would impose any additional equipment requirement on a vessel; or ``(BB) not fewer than 5 Governors of Great Lakes States, if the proposed standard or requirement would not impose any additional equipment requirement on a vessel; and ``(cc) in the case of a proposed requirement to prohibit 1 or more types of discharge regulated under this subsection, whether treated or not treated, into waters within the Great Lakes System, shall not apply outside the waters of the Great Lakes States of the Governors endorsing the proposed requirement under item (bb). ``(iii) Promulgation by administrator and secretary.-- ``(I) Submission.-- ``(aa) In general.--The Governors endorsing a proposed standard or requirement [[Page S7015]] under clause (ii)(III)(bb) may jointly submit to the Administrator and the Secretary for approval each proposed standard of performance or other requirement developed and endorsed pursuant to clause (ii). ``(bb) Inclusion.--Each submission under item (aa) shall include an explanation regarding why the applicable standard of performance or other requirement is-- ``(AA) at least as stringent as a comparable standard of performance or other requirement under this subsection; ``(BB) in accordance with maritime safety; and ``(CC) in accordance with applicable maritime and navigation laws and regulations. ``(cc) Withdrawal.-- ``(AA) In general.--The Governor of any Great Lakes State that endorses a proposed standard or requirement under clause (ii)(III)(bb) may withdraw the endorsement by not later than the date that is 90 days after the date on which the Administrator and the Secretary receive the proposed standard or requirement. ``(BB) Effect on federal review.--If, after the withdrawal of an endorsement under subitem (AA), the proposed standard or requirement does not have the applicable number of endorsements under clause (ii)(III)(bb), the Administrator and the Secretary shall terminate the review under this clause. ``(dd) Dissenting opinions.--The Governor of a Great Lakes State that does not endorse a proposed standard or requirement under clause (ii)(III)(bb) may submit to the Administrator and the Secretary any dissenting opinions of the Governor. ``(II) Joint notice.--On receipt of a proposed standard of performance or other requirement under subclause (I), the Administrator and the Secretary shall publish in the Federal Register a joint notice that, at minimum-- ``(aa) states that the proposed standard or requirement is publicly available; and ``(bb) provides an opportunity for public comment regarding the proposed standard or requirement during the 90-day period beginning on the date of receipt by the Administrator and the Secretary of the proposed standard or requirement. ``(III) Review.-- ``(aa) In general.--As soon as practicable after the date of publication of a joint notice under subclause (II)-- ``(AA) the Administrator shall commence a review of each proposed standard of performance or other requirement covered by the notice to determine whether that standard or requirement is at least as stringent as comparable standards and requirements under this subsection; and ``(BB) the Secretary shall commence a review of each proposed standard of performance or other requirement covered by the notice to determine whether that standard or requirement is in accordance with maritime safety and applicable maritime and navigation laws and regulations. ``(bb) Consultation.--In carrying out item (aa), the Administrator and the Secretary-- ``(AA) shall consult with the Governor of each Great Lakes State and representatives from the Federal and provincial governments of Canada; ``(BB) shall take into consideration any relevant data or public comments received under subclause (II)(bb); and ``(CC) shall not take into consideration any preliminary assessment by the Great Lakes Commission under clause (i)(III), or any dissenting opinion under subclause (I)(dd), except to the extent that such an assessment or opinion is relevant to the criteria for the applicable determination under item (aa). ``(IV) Approval or disapproval.--Not later than 180 days after the date of receipt of each proposed standard of performance or other requirement under subclause (I), the Administrator and the Secretary shall-- ``(aa) determine, as applicable, whether each proposed standard or other requirement satisfies the criteria under subclause (III)(aa); ``(bb) approve each proposed standard or other requirement, unless the Administrator or the Secretary, as applicable, determines under item (aa) that the proposed standard or other requirement does not satisfy the criteria under subclause (III)(aa); and ``(cc) submit to the Governor of each Great Lakes State, and publish in the Federal Register, a notice of the determination under item (aa). ``(V) Action on disapproval.-- ``(aa) Rationale and recommendations.--If the Administrator and the Secretary disapprove a proposed standard of performance or other requirement under subclause (IV)(bb), the notices under subclause (IV)(cc) shall include-- ``(AA) a description of the reasons why the standard or requirement is, as applicable, less stringent than a comparable standard or requirement under this subsection, inconsistent with maritime safety, or inconsistent with applicable maritime and navigation laws and regulations; and ``(BB) any recommendations regarding changes the Governors of the Great Lakes States could make to conform the disapproved portion of the standard or requirement to the requirements of this subparagraph. ``(bb) Review.--Disapproval of a proposed standard or requirement by the Administrator and the Secretary under this subparagraph shall be considered to be a final agency action subject to judicial review under section 509. ``(VI) Action on approval.--On approval by the Administrator and the Secretary of a proposed standard of performance or other requirement under subclause (IV)(bb)-- ``(aa) the Administrator shall establish, by regulation, the proposed standard or requirement within the Great Lakes System in lieu of any comparable standard or other requirement promulgated under paragraph (4); and ``(bb) the Secretary shall establish, by regulation, any requirements necessary to implement, ensure compliance with, and enforce the standard or requirement under item (aa), or to apply the proposed requirement, within the Great Lakes System in lieu of any comparable requirement promulgated under paragraph (5). ``(VII) No judicial review for certain actions.--An action or inaction of a Governor of a Great Lakes State or the Great Lakes Commission under this subparagraph shall not be subject to judicial review. ``(VIII) Great lakes compact.--Nothing in this subsection limits, alters, or amends the Great Lakes Compact to which Congress granted consent in the Act of July 24, 1968 (Public Law 90-419; 82 Stat. 414). ``(IX) Authorization of appropriations.--There is authorized to be appropriated to the Great Lakes Commission $5,000,000, to be available until expended. ``(C) Minimum pacific region requirements.-- ``(i) Definition of commercial vessel.--In this subparagraph, the term `commercial vessel' means a vessel operating between-- ``(I) 2 ports or places of destination within the Pacific Region; or ``(II) a port or place of destination within the Pacific Region and a port or place of destination on the Pacific Coast of Canada or Mexico north of parallel 20 degrees north latitude, inclusive of the Gulf of California. ``(ii) Ballast water exchange.-- ``(I) In general.--Except as provided in subclause (II) and clause (iv), the owner or operator of a commercial vessel shall conduct a complete ballast water exchange in waters more than 50 nautical miles from shore. ``(II) Exemptions.--Subclause (I) shall not apply to a commercial vessel-- ``(aa) using, in compliance with applicable requirements, a type-approved ballast water management system approved by the Secretary; or ``(bb) voyaging-- ``(AA) between or to a port or place of destination in the State of Washington, if the ballast water to be discharged from the commercial vessel originated solely from waters located between the parallel 46 degrees north latitude, including the internal waters of the Columbia River, and the internal waters of Canada south of parallel 50 degrees north latitude, including the waters of the Strait of Georgia and the Strait of Juan de Fuca; ``(BB) between ports or places of destination in the State of Oregon, if the ballast water to be discharged from the commercial vessel originated solely from waters located between the parallel 40 degrees north latitude and the parallel 50 degrees north latitude; ``(CC) between ports or places of destination in the State of California within the San Francisco Bay area east of the Golden Gate Bridge, including the Port of Stockton and the Port of Sacramento, if the ballast water to be discharged from the commercial vessel originated solely from ports or places within that area; ``(DD) between the Port of Los Angeles, the Port of Long Beach, and the El Segundo offshore marine oil terminal, if the ballast water to be discharged from the commercial vessel originated solely from the Port of Los Angeles, the Port of Long Beach, or the El Segundo offshore marine oil terminal; ``(EE) between a port or place of destination in the State of Alaska within a single Captain of the Port Zone; ``(FF) between ports or places of destination in different counties of the State of Hawaii, if the vessel may conduct a complete ballast water exchange in waters that are more than 10 nautical miles from shore and at least 200 meters deep; or ``(GG) between ports or places of destination within the same county of the State of Hawaii, if the vessel does not transit outside State marine waters during the voyage. ``(iii) Low-salinity ballast water.-- ``(I) In general.--Except as provided in subclause (II) and clause (iv), the owner or operator of a commercial vessel that transports ballast water sourced from waters with a measured salinity of less than 18 parts per thousand and voyages to a Pacific Region port or place of destination with a measured salinity of less than 18 parts per thousand shall conduct a complete ballast water exchange-- ``(aa) not less than 50 nautical miles from shore, if the ballast water was sourced from a Pacific Region port or place of destination; or ``(bb) more than 200 nautical miles from shore, if the ballast water was not sourced from a Pacific Region port or place of destination. ``(II) Exception.--Subclause (I) shall not apply to a commercial vessel voyaging to a port or place of destination in the Pacific Region that is using, in compliance with applicable requirements, a type-approved ballast water management system approved by the Secretary to achieve standards of performance of-- ``(aa) less than 1 organism per 10 cubic meters, if that organism-- ``(AA) is living, or has not been rendered nonviable; and [[Page S7016]] ``(BB) is 50 or more micrometers in minimum dimension; ``(bb) less than 1 organism per 10 milliliters, if that organism-- ``(AA) is living, or has not been rendered nonviable; and ``(BB) is more than 10, but less than 50, micrometers in minimum dimension; ``(cc) concentrations of indicator microbes that are less than-- ``(AA) 1 colony-forming unit of toxicogenic Vibrio cholera (serotypes O1 and O139) per 100 milliliters or less than 1 colony-forming unit of that microbe per gram of wet weight of zoological samples; ``(BB) 126 colony-forming units of escherichia coli per 100 milliliters; and ``(CC) 33 colony-forming units of intestinal enterococci per 100 milliliters; and ``(dd) concentrations of such additional indicator microbes and viruses as may be specified in the standards of performance established by the Administrator under paragraph (4). ``(iv) General exceptions.--The requirements of clauses (ii) and (iii) shall not apply to a commercial vessel if-- ``(I) complying with the requirement would compromise the safety of the commercial vessel; ``(II) design limitations of the commercial vessel prevent a ballast water exchange from being conducted in accordance with clause (ii) or (iii), as applicable; ``(III) the commercial vessel-- ``(aa) is certified by the Secretary as having no residual ballast water or sediments onboard; or ``(bb) retains all ballast water while in waters subject to those requirements; or ``(IV) empty ballast tanks on the commercial vessel are sealed and certified by the Secretary in a manner that ensures that-- ``(aa) no discharge or uptake occurs; and ``(bb) any subsequent discharge of ballast water is subject to those requirements. ``(D) Establishment of state no-discharge zones.-- ``(i) State prohibition.--Subject to clause (ii), after the effective date of regulations promulgated by the Secretary under paragraph (5), if any State determines that the protection and enhancement of the quality of some or all of the waters within the State require greater environmental protection, the State may prohibit 1 or more types of discharge regulated under this subsection, whether treated or not treated, into such waters. ``(ii) Applicability.--A prohibition by a State under clause (i) shall not apply until the date on which the Administrator makes the applicable determinations described in clause (iii). ``(iii) Prohibition by administrator.-- ``(I) Determination.--On application of a State, the Administrator, in concurrence with the Secretary (subject to subclause (II)), shall, by regulation, prohibit the discharge from a vessel of 1 or more discharges subject to regulation under this subsection, whether treated or not treated, into the waters covered by the application if the Administrator determines that-- ``(aa) prohibition of the discharge would protect and enhance the quality of the specified waters within the State; ``(bb) adequate facilities for the safe and sanitary removal and treatment of the discharge are reasonably available for the water and all vessels to which the prohibition would apply; ``(cc) the discharge can be safely collected and stored until a vessel reaches a discharge facility or other location; and ``(dd) in the case of an application for the prohibition of discharges of ballast water in a port (or in any other location where cargo, passengers, or fuel are loaded and unloaded)-- ``(AA) the adequate facilities described in item (bb) are reasonably available for commercial vessels, after considering, at a minimum, water depth, dock size, pumpout facility capacity and flow rate, availability of ***year***-round operations, proximity to navigation routes, and the ratio of pumpout facilities to the population and discharge capacity of commercial vessels operating in those waters; and ``(BB) the prohibition will not unreasonably interfere with the safe loading and unloading of cargo, passengers, or fuel. ``(II) Concurrence with secretary.-- ``(aa) Request.--The Administrator shall submit to the Secretary a request for written concurrence with respect to a prohibition under subclause (I). ``(bb) Effect of failure to concur.--A failure by the Secretary to concur with the Administrator under subclause (I) by the date that is 60 days after the date on which the Administrator submits a request for concurrence under item (aa) shall not prevent the Administrator from prohibiting the relevant discharge in accordance with subclause (III), subject to the condition that the Administrator shall include in the administrative record of the promulgation-- ``(AA) documentation of the request submitted under item (aa); and ``(BB) the response of the Administrator to any written objections received from the Secretary relating to the proposed standard of performance during the 60-day period beginning on the date of submission of the request. ``(III) Timing.--The Administrator shall approve or disapprove an application submitted under subclause (I) by not later than 90 days after the date on which the application is submitted to the Administrator. ``(E) Maintenance in effect of more-stringent standards.-- In any case in which a requirement established under this paragraph is more stringent or environmentally protective than a comparable requirement established under paragraph (4), (5), or (6), the more-stringent or more-protective requirement shall control.''. (2) Repeals.-- (A) In general.--Effective beginning on the date of enactment of this Act, the following provisions of law are repealed: (i) Section 1101 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4711). (ii) Public Law 110-299 (33 U.S.C 1342 note). (B) Conforming amendments.--Section 1102 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4712) is amended-- (i) in subsection (c)(1), by inserting ``(as in effect on the day before the date of enactment of the Vessel Incidental Discharge Act of 2018)'' after ``section 1101(b)''; and (ii) in subsection (f)(1)(B), by inserting ``(as in effect on the day before the date of enactment of the Vessel Incidental Discharge Act of 2018)'' after ``section 1101(c)''. (b) Regulations for Use of Marine Pollution Control Devices.--Section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322) is amended-- (1) by striking the section designation and heading and all that follows through ``For the purpose of'' in subsection (a) and inserting the following: ``SEC. 312. MARINE SANITATION DEVICES; DISCHARGES INCIDENTAL TO THE NORMAL OPERATION OF VESSELS. ``(a) Definitions.--In''; (2) in subsection (a)-- (A) in paragraph (7), by striking ``devices or of vessels'' and inserting ``devices, marine pollution control device equipment, or vessels''; and (B) in paragraph (13), in the matter preceding subparagraph (A), by inserting ``, except as provided in subsection (p),'' after ``means''; (3) in subsection (g)-- (A) by inserting ``or marine pollution control device equipment'' after ``marine sanitation device'' each place it appears; (B) in paragraph (1)-- (i) by inserting ``or equipment'' after ``such device''; and (ii) by inserting ``or equipment'' after ``test device''; and (C) in paragraph (2)-- (i) by inserting ``or equipment'' after ``the device'' each place it appears; and (ii) in the fourth sentence, by inserting ``or equipment'' after ``device'' each place it appears; and (4) in subsection (h)-- (A) in paragraph (1), by inserting ``and marine pollution control device equipment'' after ``marine sanitation device''; (B) in paragraph (2), by inserting ``or any certified marine pollution control device equipment or element of design of such equipment'' after ``such device''; (C) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting the subparagraphs appropriately; (D) by striking ``(h) After'' and inserting the following: ``(h) Sale and Resale of Properly Equipped Vessels; Operability of Certified Marine Sanitation Devices.-- ``(1) In general.--Subject to paragraph (2), after''; and (E) by adding at the end the following: ``(2) Effect of subsection.--Nothing in this subsection requires certification of a marine pollution control device for use on any vessel of the Armed Forces.''. (c) Enforcement Authority.-- (1) In general.--Section 312(k) of the Federal Water Pollution Control Act (33 U.S.C 1322(k)) is amended-- (A) by striking the second sentence and inserting the following: ``(3) States.-- ``(A) In general.--This section may be enforced by a State or political subdivision of a State (including the attorney general of a State), including by filing a civil action in an appropriate Federal district court to enforce any violation of subsection (p). ``(B) Jurisdiction.--The appropriate Federal district court shall have jurisdiction with respect to a civil action filed pursuant to subparagraph (A), without regard to the amount in controversy or the citizenship of the parties-- ``(i) to enforce the requirements of this section; and ``(ii) to apply appropriate civil penalties under this section or section 309(d), as appropriate.''; (B) by striking ``(k) The provisions of this'' and inserting the following: ``(k) Enforcement Authority.-- ``(1) Administrator.--This section shall be enforced by the Administrator, to the extent provided in section 309. ``(2) Secretary.-- ``(A) In general.--This''; and (C) in paragraph (2) (as so designated)-- (i) in subparagraph (A), by striking ``operating and he may utilize by agreement'' and inserting ``operating, who may use, by agreement''; and (ii) by adding at the end the following: ``(B) Inspections.--For purposes of ensuring compliance with this section, the Secretary-- ``(i) may carry out an inspection (including the taking of ballast water samples) of any vessel at any time; and ``(ii) shall-- [[Page S7017]] ``(I) establish procedures for-- ``(aa) reporting violations of this section; and ``(bb) accumulating evidence regarding those violations; and ``(II) use appropriate and practicable measures of detection and environmental monitoring of vessels. ``(C) Detention.--The Secretary may detain a vessel if the Secretary-- ``(i) has reasonable cause to believe that the vessel-- ``(I) has failed to comply with an applicable requirement of this section; or ``(II) is being operated in violation of such a requirement; and ``(ii) the Secretary provides to the owner or operator of the vessel a notice of the intent to detain.''. (2) Preservation of federal enforcement authority.--Section 309 of the Federal Water Pollution Control Act (33 U.S.C 1319) is amended-- (A) in subsection (a)(3), by striking ``318'' and inserting ``312(p), 318''; (B) in subsection (c), by striking ``318'' each place it appears and inserting ``312(p), 318''; (C) in subsection (d), in the first sentence-- (i) by striking ``318'' and inserting ``312(p), 318,''; and (ii) by striking ``State,,'' and inserting ``State,''; and (D) in subsection (g)(1)(A), by striking ``318'' and inserting ``312(p), 318''. (3) Preservation of public enforcement authority.--Section 505(f) of the Federal Water Pollution Control Act (33 U.S.C 1365(f)) is amended by striking ``(5) certification'' and all that follows through the period at the end and inserting the following: ``(5) a standard of performance or requirement under section 312(p); (6) a certification under section 401; (7) a permit or condition of a permit issued under section 402 that is in effect under this Act (including a requirement applicable by reason of section 313); or (8) a regulation under section 405(d).''. (4) Review.--Section 509(b) of the Federal Water Pollution Control Act (33 U.S.C 1369(b)) is amended by adding at the end the following: ``(4) Discharges incidental to normal operation of vessels.-- ``(A) In general.--Except as provided in subparagraph (B), any interested person may file a petition for review of a final agency action under section 312(p) of the Administrator or the Secretary of the department in which the Coast Guard is operating in accordance with the requirements of this subsection. ``(B) Venue exception.--Subject to section 312(p)(7)(C)(v), a petition for review of a final agency action under section 312(p) of the Administrator or the Secretary of the department in which the Coast Guard is operating may be filed only in the United States Court of Appeals for the District of Columbia Circuit.''. (d) Logbook Requirements.--Section 11301(b) of title 46, United States Code, is amended by adding at the end the following: ``(13) when a vessel fails to carry out ballast water management requirements as applicable and pursuant to regulations promulgated by the Secretary, including when the vessel fails to carry out ballast water management requirements due to an allowed safety exemption, a statement regarding the failure to comply and the circumstances under which the failure occurred, made immediately after the failure, when practicable to do so.''. (e) Quagga Mussel.--Section 42(a)(1) of title 18, United States Code, is amended, in the first sentence, by inserting ``of the quagga mussel of the species Dreissena rostriformis or Dreissena bugensis;'' after ``Dreissena polymorpha;''. (f) Coastal Aquatic Invasive Species Mitigation Grant ***Program*** and Mitigation Fund.-- (1) Definitions.--In this subsection: (A) Coastal zone.--The term ``coastal zone'' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C 1453). (B) Eligible entity.--The term ``eligible entity'' means-- (i) a State; (ii) a unit of local government; (iii) an Indian Tribe; (iv) a nongovernmental organization; and (v) an institution of higher education. (C) Exclusive economic zone.--The term ``Exclusive Economic Zone'' means the Exclusive Economic Zone of the United States, as established by Presidential Proclamation 5030, dated March 10, 1983 (16 U.S.C 1453 note). (D) Foundation.--The term ``Foundation'' means the National Fish and Wildlife Foundation established by section 2(a) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C 3701(a)). (E) Fund.--The term ``Fund'' means the Coastal Aquatic Invasive Species Mitigation Fund established by paragraph (3)(A). (F) ***Program***.--The term ``***Program***'' means the Coastal Aquatic Invasive Species Mitigation Grant ***Program*** established under paragraph (2)(A). (G) Secretary.--The term ``Secretary'' means the Secretary of Commerce. (2) Grant ***program***.-- (A) Establishment.--The Secretary and the Foundation shall establish a ***program***, to be known as the ``Coastal Aquatic Invasive Species Mitigation Grant ***Program***'', under which the Secretary and the Foundation shall award grants to eligible entities in accordance with this paragraph. (B) Purposes.--The purposes of the ***Program*** are-- (i) to improve the understanding, prevention, and mitigation of, and response to, aquatic invasive species in-- (I) the coastal zone; and (II) the Exclusive Economic Zone; (ii) to support the prevention and mitigation of impacts from aquatic invasive species in the coastal zone; and (iii) to support the restoration of Pacific Island habitats, marine, estuarine, and Great Lakes environments in the coastal zone and the Exclusive Economic Zone that are impacted by aquatic invasive species. (C) Use of grants.-- (i) In general.--A grant awarded under the ***Program*** shall be used for an activity to carry out the purposes of the ***Program***, including an activity-- (I) to develop and implement procedures and ***programs***, including permissible State ballast water inspection ***programs***, to prevent, detect, control, mitigate, and rapidly or progressively eradicate aquatic invasive species in the coastal zone or the Exclusive Economic Zone, particularly in areas with high numbers of established aquatic invasive species; (II) to restore habitat impacted by an aquatic invasive species; (III) to develop new shipboard and land-based ballast water treatment system technologies and performance standards to prevent the introduction of aquatic invasive species; (IV) to develop mitigation measures to protect natural and cultural living resources, including shellfish, from the impacts of aquatic invasive species; or (V) to develop mitigation measures to protect infrastructure, such as hydroelectric infrastructure, from aquatic invasive species. (ii) Prohibition on funding litigation.--A grant awarded under the ***Program*** may not be used to fund litigation in any matter. (D) Administration.--Not later than 90 days after the date of enactment of this Act, the Foundation, in consultation with the Secretary, shall establish the following: (i) Application and review procedures for awarding grants under the ***Program***. (ii) Approval procedures for awarding grants under the ***Program***, including a requirement for consultation with-- (I) the Secretary of the Interior; and (II) the Administrator. (iii) Performance accountability and monitoring measures for activities funded by a grant awarded under the ***Program***. (iv) Procedures and methods to ensure accurate accounting and appropriate administration of grants awarded under the ***Program***, including standards of recordkeeping. (E) Matching requirement.--Each eligible entity that receives a grant under the ***Program*** shall provide, in cash or through in-kind contributions from non-Federal sources, matching funds to carry out the activities funded by the grant in an amount equal to not less than 25 percent of the cost of the activities. (F) Funding.--The Secretary and the Foundation are authorized to use the amounts available in the Fund to award grants under the ***Program***. (3) Mitigation fund.-- (A) Establishment.--There is established in the Treasury of the United States a trust fund, to be known as the ``Coastal Aquatic Invasive Species Mitigation Fund'', consisting of such amounts as are appropriated or credited to the Fund in accordance with this paragraph or section 9602 of the Internal Revenue Code of 1986. (B) ***Transfers*** to fund.-- (i) Appropriation.--There is authorized to be appropriated from the Treasury to the Fund, for each fiscal ***year***, an amount equal to the amount of penalties assessed for violations of subsection (p) of section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322) during the preceding fiscal ***year***. (ii) Additional authorization.--In addition to the amounts ***transferred*** to the Fund under clause (i), there is authorized to be appropriated to the Fund $5,000,000 for each fiscal ***year***. (C) Use of fund.--Subject to appropriations, the amounts in the Fund shall be available to the Secretary and the Foundation to award grants under the ***Program***. (g) Great Lakes and Lake Champlain Invasive Species ***Program***.-- (1) Definitions.--In this subsection: (A) Administrator.--The term ``Administrator'' means the Administrator of the Environmental Protection Agency. (B) Aquatic nuisance species.--The term ``aquatic nuisance species'' has the meaning given that term in subsection (p)(1) of section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322). (C) Director.--The term ``Director'' means the Director of the Great Lakes National ***Program*** Office established by section 118(b) of the Federal Water Pollution Control Act (33 U.S.C 1268(b)). (D) Great lakes and lake champlain systems.--The term ``Great Lakes and Lake Champlain Systems'' includes-- (i) Lake Champlain; and (ii) all bodies of water (including wetlands) within-- (I) the Great Lakes System (as defined in section 118(a)(3) of the Federal Water Pollution Control Act (33 U.S.C 1268(a)(3))); or (II) the Lake Champlain drainage basin (as defined in section 120(g) of the Federal Water Pollution Control Act (33 U.S.C 1270(g))). [[Page S7018]] (E) ***Program***.--The term ``***Program***'' means the Great Lakes and Lake Champlain Invasive Species ***Program*** established under paragraph (2)(A). (2) Establishment of ***program***.-- (A) In general.--The Administrator shall establish within the Great Lakes National ***Program*** Office a ***program***, to be known as the ``Great Lakes and Lake Champlain Invasive Species ***Program***''-- (i) in collaboration with-- (I) the Director of the United States Fish and Wildlife Service; (II) the Administrator of the National Oceanic and Atmospheric Administration; (III) the Director of the United States Geological Survey; and (IV) the Secretary of the department in which the Coast Guard is operating; and (ii) in consultation with-- (I) the head of Great Lakes Aquatic Nonindigenous Species Information System of the National Oceanic and Atmospheric Administration; and (II) the head of Great Lakes Environmental Research Laboratory of the National Oceanic and Atmospheric Administration. (B) Purposes.--The purposes of the ***Program*** shall be-- (i) to monitor for the introduction and spread of aquatic nuisance species into or within the Great Lakes and Lake Champlain Systems; (ii) to detect newly introduced aquatic nuisance species prior to the establishment of the aquatic nuisance species in the Great Lakes and Lake Champlain Systems; (iii) to inform, and assist with, management and response actions to prevent or stop the establishment or spread of an aquatic nuisance species; (iv) to establish a watch list of candidate aquatic nuisance species that may be introduced or spread, and that may survive and establish, within the Great Lakes and Lake Champlain Systems; (v) to monitor vectors likely to be contributing to the introduction or spread of aquatic nuisance species, including ballast water operations; (vi) to work collaboratively with the Federal, State, local, and Tribal agencies to develop criteria for prioritizing and distributing monitoring efforts; (vii) to develop, achieve type approval for, and pilot shipboard or land-based ballast water management systems installed on, or available for use by, commercial vessels operating solely within the Great Lakes and Lake Champlain Systems to prevent the spread of aquatic nuisance species populations within the Great Lakes and Lake Champlain Systems; and (viii) to facilitate meaningful Federal and State implementation of the regulatory framework in this subsection, including monitoring, shipboard education, inspection, and compliance conducted by States. (3) Methodology.--The ***Program*** shall seek-- (A) to build on-- (i) existing aquatic nuisance species monitoring efforts; and (ii) efforts to develop criteria for prioritizing and distributing monitoring efforts, geographically and among taxa, in the Great Lakes and Lake Champlain Systems; (B) to advance early detection and monitoring, and capacity to control the establishment and spread, of aquatic nuisance species within the Great Lakes and Lake Champlain Systems; (C) to identify opportunities to interdict the introduction and spread of aquatic nuisance species through sound science and technological advancements; (D) to assess the risk of aquatic nuisance species introduction and spread via the range of vectors active within the Great Lakes and Lake Champlain Systems; (E) to advance the development of type-approved ballast water management system (as defined in subsection (p)(1) of section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322) equipment for commercial, non-seagoing vessels that operate solely within the Great Lakes System (as defined in section 118(a)(3) of the Federal Water Pollution Control Act (33 U.S.C 1268(a)(3))); (F) to immediately make available to the public information regarding-- (i) the detection of new aquatic nuisance species within the Great Lakes and Lake Champlain Systems; or (ii) the spread of aquatic nuisance species within the Great Lakes and Lake Champlain Systems; (G) to annually submit to appropriate individuals and entities in each affected region a report describing the findings and activities of the ***Program***; (H) to identify roles and responsibilities of Federal agencies in aquatic nuisance species monitoring and response; and (I) to provide resource assistance to States implementing State-level ***programs*** to enter into partnerships with Federal agencies in enforcing the requirements under subsection (p) of section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322). (4) Collaboration.--In carrying out and developing the ***Program***, the Director shall collaborate with-- (A) applicable Federal, State, local, and Tribal agencies; and (B) such other research entities or stakeholders as the Director determines to be appropriate. (5) Data availability.--The Director shall-- (A) make the data collected under the ***Program*** available on a publicly accessible internet website, including in an annual summary report; and (B) in coordination with the entities identified under paragraph (4), develop communication and notification protocols for the purpose of communicating the range of aquatic nuisance species and any identification of a new aquatic nuisance species introduced to the Great Lakes and Lake Champlain Systems. (6) Report to congress.-- (A) In general.--Not later than December 31, 2019, the Director shall submit to Congress a report summarizing the outcomes of activities carried out under the ***Program***. (B) Contents.--The report under subparagraph (A) shall include-- (i) a description of activities carried out under the ***Program***, including an explanation of how those activities help to achieve the purposes described in paragraph (2)(B); (ii) an analysis of Federal, State, and local efforts to enhance multidisciplinary approaches to achieve the purposes described in paragraph (2)(B); (iii) recommendations relating to activities that would contribute to achievement of the purposes described in paragraph (2)(B); and (iv) recommendations to improve the efficiency and effectiveness of the ***Program***. (7) Authorization of appropriations.--There is authorized to be appropriated to carry out the ***Program*** $50,000,000 for each of fiscal ***years*** 2019 through 2023. (h) Technical and Conforming Amendments.-- (1) Section 1102(f) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4712(f)) is amended by striking paragraph (2) and inserting the following: ``(2) Ballast water reporting requirements.-- ``(A) In general.--The owner or operator of a vessel subject to this title shall submit to the National Ballast Information Clearinghouse, by not later than 6 hours after the arrival of the vessel at a United States port or place of destination, the ballast water management report form approved by the Office of Management and Budget numbered OMB 1625-0069 (or a successor form), unless the vessel is operating exclusively on a voyage between ports or places within contiguous portions of a single Captain of the Port Zone. ``(B) Multiple discharges.--The owner or operator of a vessel subject to this title may submit a single report under subparagraph (A) for multiple ballast water discharges within a single port or place of destination during the same voyage. ``(C) Advance report to states.--A State may require the owner or operator of a vessel subject to this title to submit directly to the State, or to an appropriate regional forum, a ballast water management report form-- ``(i) not later than 24 hours prior to arrival at a United States port or place of destination in the State, if the voyage of the vessel is anticipated to exceed 24 hours; or ``(ii) before departing the port or place of departure, if the voyage of the vessel to the United States port or place of destination is not anticipated to exceed 24 hours. ``(3) Vessel reporting data.-- ``(A) Dissemination to states.--On receipt of a ballast water management report under paragraph (2), the National Ballast Information Clearinghouse shall-- ``(i) in the case of a form submitted electronically, immediately disseminate the report to interested States; or ``(ii) in the case of a form submitted by means other than electronically, disseminate the report to interested States as soon as practicable. ``(B) Availability to public.--Not later than 30 days after the date of receipt of a ballast water management report under paragraph (2), the National Ballast Information Clearinghouse shall make the data in the report fully and readily available to the public in a searchable and fully retrievable electronic format. ``(4) Report.-- ``(A) In general.--Not later than July 1, 2019, and annually thereafter, the Secretary shall prepare and submit a report in accordance with this paragraph. ``(B) Contents.--Each report under this paragraph shall synthesize and analyze the data described in paragraph (1) for the preceding 2-***year*** period to evaluate nationwide status and trends relating to-- ``(i) ballast water delivery and management; and ``(ii) invasions of aquatic nuisance species resulting from ballast water. ``(C) Development.--The Secretary shall prepare each report under this paragraph in consultation and cooperation with-- ``(i) the Task Force; and ``(ii) the Smithsonian Institution (acting through the Smithsonian Environmental Research Center). ``(D) Submission.--The Secretary shall-- ``(i) submit each report under this paragraph to-- ``(I) the Task Force; ``(II) the Committee on Commerce, Science, and Transportation of the Senate; and ``(III) the Committee on Transportation and Infrastructure of the House of Representatives; and ``(ii) make each report available to the public. [[Page S7019]] ``(5) Working group.--Not later than 1 ***year*** after the date of enactment of this paragraph, the Secretary shall establish a working group, including members from the National Ballast Information Clearinghouse and States with ballast water management ***programs***, to establish a process for compiling and readily sharing Federal and State commercial vessel reporting and enforcement data regarding compliance with this Act.''. (2) Section 1205 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4725) is amended-- (A) in the third sentence, by striking ``Compliance'' and inserting the following: ``(c) Effect of Compliance.--Compliance''; (B) in the second sentence, by striking ``Nothing'' and inserting the following: ``(b) Effect of Title.-- ``(1) In general.--Except as provided in paragraph (2), nothing''; (C) in the first sentence, by striking ``All actions'' and inserting the following: ``(a) Consistency With Environmental Laws.--All actions''; and (D) in subsection (b) (as so designated), by adding at the end the following: ``(2) Exception.--Any discharge incidental to the normal operation of a vessel, including any discharge of ballast water (as those terms are defined in subsections (a) and (p)(1) of section 312 of the Federal Water Pollution Control Act (33 U.S.C 1322)), shall be regulated in accordance with that section.''. TITLE X--HYDROGRAPHIC SERVICES AND OTHER MATTERS SEC. 1001. REAUTHORIZATION OF HYDROGRAPHIC SERVICES IMPROVEMENT ACT OF 1998. (a) Reauthorizations.--Section 306 of the Hydrographic Services Improvement Act of 1998 (33 U.S.C 892d) is amended-- (1) in the matter before paragraph (1), by striking ``There are'' and inserting the following: ``(a) In General.--There are''; (2) in subsection (a) (as designated by paragraph (1))-- (A) in paragraph (1), by striking ``surveys--'' and all that follows through the end of the paragraph and inserting ``surveys, $70,814,000 for each of fiscal ***years*** 2019 through 2023.''; (B) in paragraph (2), by striking ``vessels--'' and all that follows through the end of the paragraph and inserting ``vessels, $25,000,000 for each of fiscal ***years*** 2019 through 2023.''; (C) in paragraph (3), by striking ``Administration--'' and all that follows through the end of the paragraph and inserting ``Administration, $29,932,000 for each of fiscal ***years*** 2019 through 2023.''; (D) in paragraph (4), by striking ``title--'' and all that follows through the end of the paragraph and inserting ``title, $26,800,000 for each of fiscal ***years*** 2019 through 2023.''; and (E) in paragraph (5), by striking ``title--'' and all that follows through the end of the paragraph and inserting ``title, $30,564,000 for each of fiscal ***years*** 2019 through 2023.''; and (3) by adding at the end the following: ``(b) Arctic ***Programs***.--Of the amount authorized by this section for each fiscal ***year***-- ``(1) $10,000,000 is authorized for use in the Arctic-- ``(A) to acquire hydrographic data; ``(B) to provide hydrographic services; ``(C) to conduct coastal change analyses necessary to ensure safe navigation; ``(D) to improve the management of coastal change; and ``(E) to reduce risks of harm to subsistence and coastal communities associated with increased international maritime traffic; and ``(2) $2,000,000 is authorized for use to acquire hydrographic data and provide hydrographic services in the Arctic necessary to delineate the United States extended Continental Shelf.''. (b) Limitation on Administrative Expenses for Surveys.-- Section 306 of such Act (33 U.S.C 892d) is further amended by adding at the end the following: ``(c) Limitation on Administrative Expenses for Surveys.-- Of amounts authorized by this section for each fiscal ***year*** for contract hydrographic surveys, not more than 5 percent is authorized for administrative costs associated with contract management.''. SEC. 1002. SYSTEM FOR TRACKING AND REPORTING ALL-INCLUSIVE COST OF HYDROGRAPHIC SURVEYS. (a) In General.--Not later than 1 ***year*** after the date of the enactment of this Act, the Secretary of Commerce shall-- (1) develop and implement a system to track and report the full cost to the Department of Commerce of hydrographic data collection, including costs relating to vessel acquisition, vessel repair, and administration of contracts to procure data; (2) evaluate measures for comparing cost per unit effort in addition to measures of cost per nautical square mile; and (3) submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Natural Resources of the House of Representatives a report on which additional measures for comparing cost per unit effort the Secretary intends to use and the rationale for such use. (b) Development of Strategy for Increased Contracting With Nongovernmental Entities for Hydrographic Data Collection.-- Not later than 180 days after the date on which the Secretary completes the activities required by subsection (a), the Secretary shall develop a strategy for how the National Oceanic and Atmospheric Administration will increase contracting with nongovernmental entities for hydrographic data collection in a manner that is consistent with the requirements of the Ocean and Coastal Mapping Integration Act (Public Law 111-11; 33 U.S.C 3501 et seq.). SEC. 1003. HOMEPORT OF CERTAIN RESEARCH VESSELS. (a) Acceptance of Funds Authorized.--The Secretary of Commerce may accept non-Federal funds for the purpose of the construction of a new port facility, including obtaining such cost estimates, designs, and permits as may be necessary to facilitate the homeporting of the R/V FAIRWEATHER in accordance with title II of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002 (Public Law 107-77; 115 Stat. 775) at a location that during such homeporting shall be under the administrative jurisdiction of the Under Secretary of Commerce for Oceans and Atmosphere. (b) Strategic Plan Required.--Not later than 180 days after the date of the enactment of this Act, the Secretary shall develop and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Natural Resources of the House of Representatives a strategic plan for implementing subsection (a). (c) Acceptance of Funds Authorized.--The Secretary may accept non-Federal funds for the purpose of the construction of a new port facility, including obtaining such cost estimates, designs, and permits as may be necessary to facilitate the homeporting of a new, existing, or reactivated research vessel in the city of St. Petersburg, Florida, at a location that during such homeporting shall be under the administrative jurisdiction of the Under Secretary of Commerce for Oceans and Atmosphere. (d) Strategic Plan Required.--Not later than 180 days after the date of the enactment of this Act, the Secretary shall develop and submit to Congress a strategic plan for construction or acquisition of the facilities needed to allow for an oceanographic research vessel to be homeported in St. Petersburg, Florida. The strategic plan shall include an estimate of funding needed to construct such facilities. Mr. McCONNELL. So for the information of the Senate, the modification that occurred was necessary to fix a technical error that omitted a number of important charts and tables from the bill.

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**Body**

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EN EN EUROPEAN COMMISSION Brussels, 23.5.2018 COM(2018) 424 final Recommendation for a COUNCIL RECOMMENDATION on the 2018 National Reform ***Programme*** of Slovakia and delivering a Council opinion on the 2018 Stability ***Programme*** of Slovakia EN 1 EN Recommendation for a COUNCIL RECOMMENDATION on the 2018 National Reform ***Programme*** of Slovakia and delivering a Council opinion on the 2018 Stability ***Programme*** of Slovakia THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 121(2) and 148(4) thereof, Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies1, and in particular Article 5(2) thereof, Having regard to the recommendation of the European Commission2, Having regard to the resolutions of the European Parliament3, Having regard to the conclusions of the European Council, Having regard to the opinion of the Employment Committee, Having regard to the opinion of the Economic and Financial Committee, Having regard to the opinion of the Social Protection Committee, Having regard to the opinion of the Economic Policy Committee, Whereas: (1) On 22 November 2017, the Commission adopted the Annual Growth Survey, marking the start of the 2018 European Semester of economic policy coordination. It took due account of the European Pillar of Social Rights, proclaimed by the European Parliament, the Council and the Commission on 17 November 2017. The priorities of the Annual Growth Survey were endorsed by the European Council on 22 March 2018. On 22 November 2017, on the basis of Regulation (EU) No 1176/2011, the Commission also adopted the Alert Mechanism Report, in which it did not identify Slovakia as one of the Member States for which an in-depth review would be carried out.

On the same day, the Commission also adopted a recommendation for a Council recommendation on the economic policy of the euro area, which was endorsed by the European Council on 22 March 2018. On 14 May 2018, the Council adopted the recommendation on the economic policy of the euro area (‘recommendation for the euro area’). 1 OJ L 209, 2.8.1997, p. 1. 2 COM(2018) 424 final. 3 P8\_TA(2018)0077 and P8\_TA(2018)0078. EN 2 EN (2) As a Member State whose currency is the euro and in view of the close interlinkages between the economies in the economic and monetary union, Slovakia should ensure the full and timely implementation of the recommendation on the economic policy for the euro area, as reflected in the recommendations below, in particular (1). (3) The 2018 country report for Slovakia4 was published on 7 March 2018. It assessed Slovakia’s progress in addressing the country-specific recommendations adopted by the Council on 11 July 2017, the follow-up given to the recommendations adopted in previous ***years*** and Slovakia's progress towards its national Europe 2020 targets. (4) On 25 April 2018, Slovakia submitted its 2018 National Reform ***Programme*** and its 2018 Stability ***Programme***. To take account of their interlinkages, the two ***programmes*** have been assessed at the same time. (5) Relevant country-specific recommendations have been addressed in the ***programming*** of the European Structural and Investment Funds for the 2014-2020 period. As foreseen in Article 23 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council5, where it is necessary to support the implementation of relevant Council recommendations, the Commission may request a Member State to review and propose amendments to its Partnership Agreement and relevant ***programmes***. The Commission has provided further details on how it would make use of that provision in guidelines on the application of the measures linking the effectiveness of the European Structural and Investment Funds to sound economic governance6. (6) Slovakia is currently in the preventive arm of the Stability and Growth Pact. In its 2018 Stability ***Programme***, the government plans to improve the headline deficit to 0.8 % of GDP in 2018, and gradually further to 0.0 % of GDP in 2021. The medium-term budgetary objective — a structural deficit of 0.5 % of GDP — is expected to be reached in 2020. According to the 2018 Stability ***Programme***, the general government debt-to-GDP ratio is expected to gradually decline from 49.3 % in 2018 to 43.3 % by 2021. The macroeconomic scenario underpinning those budgetary projections is plausible. At the same time, the measures needed to support the planned deficit targets from 2019 onwards have not been fully specified. The budget includes a non-specified category of expenditure called budgetary reserves which represents a non-negligible share (0.7 % of GDP) and can be used for ad hoc operations, thus reducing predictability in budget implementation. (7) On 11 July 2017, the Council recommended Slovakia to ensure that the nominal growth rate of net primary government expenditure7 does not exceed 2.9 % in 2018, corresponding to an annual structural adjustment of 0.5 % of GDP. At the same time, it was stated that the assessment of the 2018 Draft Budgetary Plan and subsequent 4 SWD(2018) 223 final. 5 Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European ***Agricultural*** Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320). 6 COM(2014) 494 final. 7 Net primary government expenditure comprises total government expenditure excluding interest expenditure, expenditure on Union ***programmes*** fully matched by Union funds revenue and non-discretionary changes in unemployment benefit expenditure. Nationally financed gross fixed capital formation is smoothed over a 4-***year*** period. Discretionary revenue measures or revenue increases mandated by law are factored in. One-off measures on both the revenue and expenditure sides are netted out. EN 3 EN assessment of 2018 budget outcomes will need to take due account of the goal of achieving a fiscal stance that contributes to both strengthening the ongoing recovery and ensuring the sustainability of public finances. Following the Commission's assessment of the strength of the recovery in Slovakia while giving due consideration to its sustainability challenges no additional elements in that regard need to be taken into account. Based on the Commission spring 2018 forecast, there is a risk of a significant deviation from that recommendation in 2018. (8) In 2019, in view of Slovakia's projected output gap of 1.2 %, the nominal growth rate of net primary government expenditure should not exceed 4.1 %, in line with the structural adjustment of 0.5 % of GDP stemming from the matrix of requirements under the Stability and Growth Pact. Under unchanged policies, Slovakia would be at risk of significant deviation from the requirement in 2019, due to the deviation over 2018 and 2019 taken together. Overall, the Council is of the opinion that the necessary measures should be taken as of 2018 to ensure compliance with the provisions of the Stability and Growth Pact. (9) Slovakia's public finances still face risks in the long term. Healthcare expenditure continues to pose a risk to the long-term sustainability of public finances as increasing the cost effectiveness of healthcare in Slovakia remains a challenge. In the long term, public expenditure on healthcare is projected to increase by 1.2 pps. of GDP, above the average estimated increase of 0.9 pps. for the EU. The pension system has seen a gradual improvement in its long-term sustainability due to the automatic increase in the retirement age, which has reduced the projected age-related spending increases in the long term. (10) Although some steps have been taken to improve the cost effectiveness of the healthcare system, notably through the implementation of the Value for Money spending review, the potential to rationalise the use of resources remains significant. Plans for a far-reaching healthcare reform allowing the streamlining of services, better hospital resource management and more efficient care system are showing no signs of progress. The consumption of hospital services continues to be high, with high rates of hospitalisation for chronic diseases and discharge rates above the EU average, coupled with relatively low bed occupancy rates. While strengthening the primary care sector can ease the high burden put on hospitals, the system suffers from a shortage of general practitioners, which is exacerbated by their uneven geographical distribution. The age composition of general practitioners also raises concerns for their future supply. Lastly, several provisions aimed at enhancing the cost effectiveness of the health system such as the full introduction of a diagnosis-related group ***payment*** system and the effective operationalisation of the e-health system are still in their development phase. They are likely to face further delays and implementation challenges in the future. (11) Fiscal revenues are increasing on the back of swift economic growth and efforts are ongoing to improve tax compliance and close Slovakia's high value added tax gap. While fiscal incentives promoting research and development were increased, property taxation remains a weak revenue source. A rolling ***programme*** of spending reviews for all key areas of public spending is proving to be an effective and rigorous tool for improving cost effectiveness in government spending. (12) Positive developments in the labour market continue, marked by increasing employment and historically low levels of unemployment. Nevertheless, the long-term unemployment rate continues to be one of the highest in the EU, affecting particularly EN 4 EN disadvantaged groups such as low-skilled workers, young people and marginalised Roma. As a result of the improving labour market conditions, reports of skilled labour shortages in some sectors of the economy have started to appear. Regional disparities in the labour market are pronounced, with higher unemployment concentrated in eastern Slovakia and labour shortages concentrated in the western part of the country. Slovakia has started to implement its action plan on the integration of the long-term unemployed, supported by the European Social Fund. The plan introduces personalised services, social counselling, and a new basic profiling system. However, implementation has not yet yielded any structural changes. Gaps persist in cooperation with private partners and non-governmental organisations to alleviate caseloads in public employment services, while individualised counselling is at an early stage. In addition, the rough segmentation of the long-term unemployed does not fully serve as a tool for subsequent referral to activation measures. Training and requalification ***programmes*** have been strengthened but are still insufficient and their targeting of the long-term unemployed and disadvantaged groups remains limited. In addition, adult participation in learning is still very low and second-chance education for disadvantaged groups is underdeveloped. The eligibility criteria for unemployment benefits are strict and the duration of benefits is short. This results in low coverage of the short-term unemployed receiving unemployment benefits. (13) The gender employment gap and gender pay gap are well above the EU average. The low employment rate of women of childbearing age reflects the long parental leave rarely taken up by men, accompanied by low take up of flexible working arrangements and limited affordability and access to childcare facilities. Particularly for children under the age of three, the enrolment rates in childcare are extremely low. (14) The education system does not sufficiently contribute to the socioeconomic development of Slovakia, and is underfunded at all levels. The quality of educational outcomes, the participation of Roma in inclusive mainstream education and the effective integration of students from socioeconomically disadvantaged backgrounds in education and training are pressing challenges. Educational outcomes and the level of basic skills remain weak by international standards and are profoundly impacted by students' socioeconomic background. Early school leaving is low but increasing and regional disparities in dropout rates are pronounced. Despite plans to annually increase teacher salaries by 6% until 2020, the teaching profession is still unattractive, in part due to limited initial training and professional development opportunities. The implementation of measures to increase the participation of Roma pupils in inclusive mainstream education is extremely weak due to inadequate financial support and monitoring as well as insufficient training of teachers on intercultural issues. (15) Public administration is still burdened by inefficiency and bottlenecks caused by poor inter-ministerial cooperation and weak political neutrality of the civil service. Implementation of the Civil Service Act has been slowly taking off, but its impact on improving human resource management remains to be seen. On the management of EU funds, administration capacity and efficiency is still limited and staff turnover remains high, in part linked to the political cycle. This is nevertheless being addressed by strengthening the coordinating role of the Office of the Deputy Prime Minister which acts as a stabilising factor on continuity and institutional expertise in implementing organisations. (16) European Structural and Investment Funds are pivotal in addressing key challenges to improve competitiveness, growth and jobs in Slovakia. Slovakia suffered from a loss of EUR 26 million of funding for research and innovation in 2017 mostly due to EN 5 EN problems in applying selection criteria and selecting evaluators, as confirmed by the verifications carried out. If appropriate measures are not taken to accelerate implementation, there is a high risk that another part of the funding allocation will be lost. While the project selection rate has now exceeded half of the total allocation for the current ***programming*** period, implementation on the ground resulted in ***payments*** to beneficiaries amounting only to 11 % of the allocation. (17) The low effectivity of public administration also translates to other sectors, including energy and the environment. Recycling rates are very low and air quality remains relatively poor. Sustainable forest management is an increasing challenge. The energy sector suffers from overregulation and energy policies are not fully in line with the climate and energy objectives of the EU. (18) Slovakia has taken important steps towards achieving a well-functioning system of public procurement. Efforts have been made to introduce quality award criteria. Mandatory electronic tools for conducting public procurement procedures should be in place in October 2018. While not optimally efficient, comprehensive prior verifications have been carried out on all projects funded through the European Social and Investment Funds. Nevertheless, a satisfactory performance has not yet been achieved in the areas of internal controls, transparency, digitisation, professionalisation and strategic public procurement. This is reflected in Slovakia's scores related to anti-competitive practices, which remain somewhat above the EU average, despite some improvement. Moreover, there are still only limited signs of commitment to fighting corruption. More than half of businesses perceive corruption as widespread in public procurement managed by national authorities. (19) Corruption, complex administrative procedures, excessive and fast-changing business regulations and the poor quality of regulatory bodies heavily affect the quality of Slovakia's business environment. While Slovakia lost some ground in some international comparisons, it has identified a number of measures to improve the quality of the business environment and boost investment. Slovakia has also strengthened its framework for regulatory impact assessment, extending its use in recent ***years***. Finally, a new strategy for better regulation has been recently adopted. High regulatory barriers remain in the business services sector with levels of restrictiveness higher than the EU average for architects, engineers, tax advisers, lawyers, patent agents, real estate agents and tourist guides. Recommendations to address the regulatory barriers were made in the Communication from the Commission of January 20178. However, Slovakia has reported no progress in tackling those restrictions. (20) Overall, no progress has been achieved in stepping up the fight against corruption. Corruption perceptions remain high and prosecutions for such offences have fallen further. The perception of corruption has further deteriorated in the wake of the murder of an investigative journalist and his findings on a wide range of high-level corruption cases. The proportion of high-level cases prosecuted is extremely low. The lack of accountability for police and public prosecutors has not been resolved and hinder the fight against corruption and investigations of sensitive corruption cases. (21) Improving the effectiveness of the justice system, including the independence, remains a challenge for Slovakia, despite some improvements in efficiency. Concerns about the independence of the judiciary persist, including the appointment processes for judges at all levels of the judiciary. 8 COM(2016) 820 final EN 6 EN (22) Although boosting innovation can trigger competitiveness and facilitate the transition to a knowledge-based economy, Slovakia's capacity to innovate remains moderate, with a business research and development intensity which is very low (0.40 % of GDP in 2016). While the country has a large medium/high-tech manufacturing sector, the dominant multinational companies have so far shown only limited interest in carrying out research and development activities and the percentage of small and medium-sized enterprises innovating in-house was much lower in Slovakia (13.9 %) than in the EU as a whole (28.8 %) in 2016. (23) Public investments in research and innovation increased strongly between 2009 and 2015 due to the use of the European Structural and Investment Funds. The full potential of these investments has not been realised due to inefficiencies in Slovakia's research environment. Despite the strengthened role of the Office of Deputy Prime Minister for coordination of research, development and innovation, the overall governance of policy in this area is weak. The fragmented nature of the system and the weak governance framework, with responsibilities split among several ministries and implementing agencies, which are often poorly coordinated, leads to a regular postponement of reforms. Measures to stimulate knowledge ***transfer***, strengthen research capacities in industry and improve the cooperation between businesses and academia are advancing only slowly. (24) In the context of the 2018 European Semester, the Commission has carried out a comprehensive analysis of Slovakia’s economic policy and published it in the 2018 country report. It has also assessed the 2018 Stability ***Programme*** and the 2018 National Reform ***Programme*** and the follow-up given to the recommendations addressed to Slovakia in previous ***years***. It has taken into account not only their relevance for sustainable fiscal and socioeconomic policy in Slovakia but also their compliance with Union rules and guidance, given the need to strengthen the Union’s overall economic governance by providing Union-level input into future national decisions. (25) In the light of this assessment, the Council has examined the 2018 Stability ***Programme*** and its opinion9 is reflected in particular in recommendation 1 below. HEREBY RECOMMENDS that Slovakia take action in 2018 and 2019 to: 1. Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.1 % in 2019, corresponding to an annual structural adjustment of 0.5 % of GDP. Implement measures to increase the cost effectiveness of the healthcare system and develop a more effective healthcare workforce strategy. 2. Reinforce activation and upskilling measures, including quality targeted training and individualised services for disadvantaged groups, in particular by delivering on the action plan for the long-term unemployed. Foster women's employment, especially by extending affordable, quality childcare. Improve the quality and inclusiveness of education, including by increasing the participation of Roma children in mainstream education from early childhood onwards. 3. Increase the use of quality-related and lifecycle cost criteria in public procurement operations. Tackle corruption, including by ensuring enforcement of existing legislation and by increasing accountability at the level of police and prosecution. Improve the effectiveness of the justice system, in particular by safeguarding independence in judicial appointment procedures. Reduce the fragmentation of the 9 Under Article 5(2) of Council Regulation (EC) No 1466/97. EN 7 EN public research system and stimulate business innovation, including for small and medium-sized enterprises. Done at Brussels, For the Council The President

**Load-Date:** July 10, 2018

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[***Financing the future: Public and private sector activity set to meet new challenges***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4Y1-DXYV-70RW-00000-00&context=1516831)

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**Body**

Papua New Guinea's banking sector experienced a mixed ***year*** in 2017, with commercial bank assets declining after four consecutive ***years*** of growth. Total loans to the private sector also fell against a backdrop of subdued economic activity, even as Bank South Pacific (BSP), the country's leading commercial bank, recorded a strong rise in lending and increased profits. Moreover, although commercial banking retains high growth potential, the sector is characterised by low levels of consumer participation, with the majority of PNG's population being currently unbanked. Furthermore, retail lending remains limited, despite recent growth in home financing supported by a government mortgage scheme for first-time home buyers.

Nevertheless, efforts are under way to overcome these challenges, with a focus on modernising existing infrastructure and improving financial inclusion. Under a far-reaching sectoral review, launched with support from the World Bank, the Bank of PNG - the country's central bank - has made steady progress in upgrading the country's interbank ***transfer*** network to support the development of a national ***payment*** system. The government has also adopted strategies to reduce the unbanked population, most recently partnering with international donors and governments to boost technological uptake.

Mobile banking is set to become a leading driver of growth over the coming ***years***, while rising debit card penetration is set to help banks manage the high costs involved in expanding operations and boosting coverage in rural and remote areas. There are limits to technological uptake, however, with PNG's rugged geography, limited rural connectivity and significant infrastructure deficit constituting major bottlenecks to the sector's long-term development. Therefore, short-term expansion will likely remain dependent on continued macroeconomic stabilisation, as well as rising business and government lending activities.

AT A GLANCE: PNG's commercial banking sector dates back to 1910, when the Bank of New South Wales, today Westpac, and the Australia and New Zealand Banking Group (ANZ) began operations, followed by the Commonwealth Bank (1915) and Kavieng (1916). There are four commercial banks active in the country today, including the two Australian institutions - Westpac and ANZ - and two local banks, namely BSP, originally the National Bank of Australasia, which began operations in 1957, and Kina Bank, which became operational in 2016.

Established in September 1973 the Bank of PNG - which currently operates under the Central Banking Act of 2000 - is the country's autonomous monetary authority. It holds responsibility for providing means of ***payment*** in kina to commercial banks, operating interbank clearing and settling arrangements, acting as the government's banker and fiscal agent, and operating mandatory exchange settlement accounts for commercial banking. The central bank's policy remit is currently guided by the Strategic Plan 2016-20, which targets improvements in six key areas: policy dialogue between the national government and the bank, monetary policy management, foreign reserve management (see Economy chapter), completion of a national ***payments*** system, financial system development and internal capability.

MAJOR PLAYERS: BSP is the largest of the country's four commercial banks, accounting for 59% of lending at the end of 2017. It was acquired by the state-owned Independent Public Business Corporation in October 1993 and privatised in April 2002 - being listed on the Port Moresby Stock Exchange in August 2003 - although government entities retain a majority stake (see analysis). According to its 2017 annual report, BSP's holdings include 79 branches, 52 sub-branches, 351 agents, 499 ATMs, 11,343 electronic funds ***transfer*** at point of sale (EFTPOS) units and 4261 employees. Meanwhile, Westpac currently lists 16 branches and 19 ATMs in PNG. ANZ's network includes 15 branches, 72 ATMs and 1877 EFTPOS units. However, these assets of ANZ are set to become part of Kina Bank, following its acquisition of ANZ's retail and commercial wing - a deal announced in June 2018. The acquisition is expected to see Kina Bank's lending market share rise from 5.8% to 8.8% once the transition is finalised in 2019. Additionally, 13 financial institutions, including microlenders, are licensed to operate in the country and there are nine authorised currency exchanges in operation. Digicel Financial Services is the sole company authorised to act as a mobile money network operator and remittance service, while there are also 22 savings and loans societies active in the country, according to the Bank of PNG.

ASSETS & LENDING: Assets in the commercial sector have recorded exponential growth since 2002, with the Bank of PNG reporting that total commercial banking assets rose from PGK3.9bn ($1.2bn) in that ***year*** to reach PGK20.3bn ($6.3bn) in 2011. Growth has been slower in recent ***years***, however, with total assets rising from PGK22.7bn ($7.1bn) in 2012 to a high of PGK29.6bn ($9.3bn) in 2016, before moderating to PGK29.4bn ($9.2bn) in 2017.

Meanwhile, the central bank reports that foreign assets in the commercial system have dropped off significantly since hitting a high of PGK2.7bn ($843m) in 2013, dropping to PGK1.6bn ($500m) in 2014, before rising to PGK1.7bn ($531m) in 2015, then falling to PGK1.4bn ($437m) in 2017. Lending to the private sector has also risen steadily in recent ***years***. The Bank of PNG reports that total kina-denominated private sector lending rose from PGK1.3bn ($405.8m) in 2002 to PGK8.7bn ($2.7bn) in 2016, before reaching a high of PGK8.74bn ($2.73bn) in 2017. Foreign currency lending has also grown, albeit less rapidly in recent ***years***, rising from PGK99.1m ($30.4m) in 2003 to reach a high of PGK1.2bn ($375m) in 2016, before falling to PGK719.3m ($225m) in 2017.

Additionally, total business lending has risen significantly since 2013, with total outstanding advances to businesses rising from PGK8bn ($2.5bn) to a high of PGK11.3bn ($3.5bn) in 2016. While outstanding advances to businesses fell to PGK10.5bn ($3.3bn) in 2017, this still represented a 30.8% gain on the 2013 figure and, therefore, may indicate volatility rather than a precipitous decline.

CREDIT QUALITY: Overall, the sector appears stable despite recent macroeconomic uncertainty. In a June 2017 report the National Development Bank stated that domestic credit quality had not deteriorated significantly, with Moses Liu, managing director of the bank, reporting there had been only a slight rise in recorded defaults. Nevertheless, in order to ensure the long-term stability of the country's financial services, there has been a growing interest in credit quality checks, with assessments of credit history expected to average 20,000 per month in 2018, according to the country's industry-financed Credit and Data Bureau (CDB). Furthermore, the CDB has reported that the banking sector continues to hold significant liquidity, largely as a result of a foreign exchange shortfall (see Economy chapter).

BSP has also reported stable operations, with its provision for bad debts remaining at 4.9% in 2017, while its capital adequacy ratio was 22.8%, more than double the minimum requirement stipulated by Basel III. Furthermore, Robin Fleming, group CEO of BSP, told local media that the bank's non-performing loan ratio stood at between 1.2% and 1.3% in January 2018. Stakeholders report that banks often adopt a conservative approach to lending for private projects, with the IMF highlighting structural issues including land tenure, property rights and contract affordability as impediments to the expansion of credit provision. In their most recently published country report the IMF projected domestic credit would grow 5.8% over 2018, against 24.6% in 2016, while credit to the private sector is forecast to fall to 3% in 2018, down from 7.2% in 2016. According to the IMF, these developments in the credit market relate directly to the slowing pace of economic activity in the country as a whole. The growth rate has fallen from its previous accelerated pace as a result of a fall in global commodity prices and the impact of poor weather conditions on farming. Nevertheless, the IMF has highlighted that the non-performing loan ratio has remained at around 3%, and the banks remain well-capitalised with excess liquidity.

BY SECTOR: This overall slowdown of lending as a result of broader macroeconomic trends is evident when credit flows are analysed on a sectoral basis. According to the Bank of PNG, total ***agricultural*** loans rose from PGK236.7m ($73.9m) in 2013 to hit PGK262.9m ($82.1m) in 2014, before dropping to PGK190.3m ($59.4m) in 2016 and recovering to PGK202.5m ($63.2m) in 2017. Meanwhile, loans to the manufacturing sector have vacillated since 2013, rising from PGK989.2m ($308.8m) that ***year*** to PGK1.07bn ($334m) in 2015, before falling to PGK954.8m ($298.1m) in 2016 and only PGK560.5m ($175m) in 2017. Transportation loans rose from PGK1.39bn ($434m) in 2013 to hit PGK1.83bn ($571.3m) in 2016, before moderating to PGK1.67bn ($527.6m) in 2017. In addition, loans to the building and construction sector have also dropped in recent ***years***, falling from PGK691.7m ($215.9m) in 2014 to PGK548.6m ($171.3m) in 2015, before recovering slightly to reach PGK591.8m ($171.3m) in 2017.

Nevertheless, loans to the commerce sector - which includes buyers, processors, exporters, wholesale traders and retailers - have recorded strong recent growth. The total value of loans to the sector rose from PGK1.43bn ($446.4m) in 2013 to hit PGK1.78bn ($555.7m) in 2017. Meanwhile, loans to the mining and quarrying sector have risen significantly, jumping from PGK205.9m ($64.3m) in 2013 to PGK1.31bn ($409m) in 2016, before easing to PGK941.3m ($293.9m) the following ***year***.

MORTGAGE LENDING: While lending to different sectors of the country's industry has been uneven - rising in some sectors and falling in others - the provision of credit to consumers remains persistently limited. Nevertheless, considerable progress has been made in developing a mortgage market following the launch of the government's First Home Ownership Scheme (FHOS) in September 2014.

The FHOS offers loans ranging from PGK200,000 ($62,400) to PGK400,000 ($125,000) and a 4% fixed interest rate. In an effort to support low-income home buyers, loan tenures are set at a maximum of 40 ***years*** and no fees are charged on early repayment. Beneficiaries must be first-time buyers, provide a 10% down ***payment*** and submit supporting documentation, including proof of employment and income, as well as proof that the home will be their personal residence. The FHOS is intended to provide a more competitive deal than commercial banks, which generally offer interest rates of between 8.5% and 9%, maximum tenors of 30 ***years*** and charge additional fees. On unveiling the ***programme***, the government announced it would provide PGK200m ($62.4m) each ***year*** to BSP - which is tasked with implementing FHOS on behalf of the state.

In November 2016, BSP announced it had funded PGK160m ($50m) of mortgages under the scheme. In its most recent annual report, the bank highlighted retail lending as a high-growth segment of its operations, with total lending rising by PGK36.6m ($11.4m) in 2017 to PGK259m ($80.9m), led by an PGK121m ($37.8m) increase in home financing which was supported by the FHOS.

POLICY DIRECTIVES: Recognising the need to strengthen financial inclusion the government has adopted a number of strategies aimed at modernising banking infrastructure. Key policy aims include electronic ***payments***, improved interoperability and the establishment of a national ***payment*** system.

In order to achieve these objectives the government formed a partnership in 2015 with the World Bank to launch a review of the sector and formulate a development strategy. The sectoral review is being undertaken by a technical working group including staff from the World Bank, the Bank of PNG and Department of Treasury. The group has completed the review's first phase, which included producing diagnostic technical reports addressing the development of a national ***payment*** system, government bonds and capital markets and an improved regulatory framework for the sector.

FINANCIAL INCLUSION: Nevertheless, a major challenge that presents an impediment to the expansion of consumer credit is the high proportion of the citizenry that remains financially excluded. Out of a population of around 8m, 85% lack a bank account, according to a report published by the University of Queensland's International Mining for Development Centre (IMDC) in July 2015. The report highlights that PNG has one of the highest ratios of unbanked citizens in the world, citing linguistic diversity and the infrastructure gap as factors for this. The state has undertaken a host of initiatives aimed at improving participation in the formal financial system, often with the support of international partners. Under the National Strategic Plan, or Vision 2050, the government's long-term economic development framework, PNG launched the National Inclusion and Financial Literacy Strategy in 2014. The policy employed principles derived from the Maya Declaration, a global financial inclusion initiative launched under the auspices of the Alliance for Financial Inclusion in 2011. Prior to this, in 2013, authorities established the Centre for Excellence in Financial Inclusion (CEFI), which is mandated to facilitate improvements to financial services delivery.

PROGRESS MADE: As a result of these efforts progress has been made in reducing the country's unbanked population. The Bank of PNG reports that the number of adults with a bank account at a formal financial institution nearly doubled between June 2013 and June 2016, rising from 20% to 37%. Looking to build on this, the Bank of PNG published its second National Financial Inclusion Strategy 2016-20, which prioritises encouraging digital financial services, while educating consumers and small businesses on making use of financial products.

"Accessibility and coverage remain a serious problem," Robin Fleming, group CEO of BSP, told OBG. "A major boost will come from the expected decrease of internet prices in the coming ***years***, making it more easy to reach the new generation." Furthermore, in June 2017 the central bank unveiled plans to boost financial inclusion by an additional 2m people, including 1m women, through collaboration with the UN, as well as local financial service providers.

MOBILE MONEY: According to the CEFI, developing mobile money has proven to be one of the most effective measures through which to boost financial inclusion in PNG. The centre reports that market liberalisation in 2007 led to several new players entering the mobile money segment.

The mobile finance sector is already fairly well developed, with some offerings predating the changes to the regulation of the telecoms sector. Products include: Mobile SMK, by Post PNG; BSP Mobile Banking; BSP's Wantok Money; Digicel's CellMoni; Nationwide Microbank's MiCash; ANZ goMoney, which will migrate to Kina Bank as part of its acquisition of ANZ; and Westpac's Everywhere Banking. An estimated 9.2% of the population has access to mobile banking. "Mobile banking is already here: around 90% of the 10m reported transactions are conducted electronically and about 860,000 via bank branches," Fleming told OBG. "The sector has made huge investments in improving coverage and mobile facilities and mobile activity is already reaching an extremely high percentage in PNG, and is likely to grow even further over the coming ***years***."

Nevertheless, mobile money ***transfers*** have yet to gain the same traction in PNG as they have in comparable emerging markets, preventing many recent initiatives from scaling up beyond the pilot stage (see analysis). Furthermore, the majority of financial technology (fintech) products have not been supported by domestic investment, but rather by international donor agencies and bilateral partners. Despite this, major stakeholders have noted that mobile money ***transfer*** platforms hold significant potential for future expansion.

For example, Westpac announced in March 2017 that it had launched a low-cost banking product, called Choice Wantok, designed for people living in rural and remote communities who are unable to visit a branch or ATM. Using the product, customers are able to access mobile banking to make savings deposits, send and receive money, and pay utilities bills, all without monthly fees. The service is a joint initiative between Westpac, the government of Australia and the UN Pacific Financial Inclusion ***Programme***, a Pacific-wide ***programme*** managed by the UN Capital Development fund and UN Development ***Programme***, with funding from the EU and the governments of Australia and New Zealand. The ***programme*** - which aims to support 1m low-income people in the broader Pacific region gain access to financial services by 2019 - provided $1.75m of funding for to mobile money service.

Nevertheless, Westpac reports that infrastructure and logistics challenges remain a significant obstacle to widespread adoption of this and similar fintech solutions. Due to the substantial infrastructure gap in the country, an agent-operated touch point would be needed in each locale to carry out cash settlement services. Similar limitations have also proven problematic for other fintech innovations, including the blockchain distributed ledger system, with near-term development more likely to focus on improving bank interoperability than blockchain and mobile money ***transfer*** platforms.

"Infrastructure is so important because transport is so difficult," Mark Baker, managing director of ANZ PNG, told OBG. "The country's Highland regions are very fertile, but it is very difficult to transport goods out of the area, which is why a city like Port Moresby has to rely on imports," he added.

CARD ***PAYMENTS***: Although mobile money may be several ***years*** away from widespread adoption, significant growth potential remains in the debit and credit card segments. This offers banks a way to reduce costs associated with the expansion of current networks while supporting ongoing efforts to develop a national ***payment*** system.

As of October 2017 the Bank of PNG reported that 1.2m debit cards had been issued by the four commercial banks, as well as a small selection of second- and third-tier financial institutions. The lender projected 6.1m domestic transactions would be made via debit cards in 2017. Currently, ATMs are the favoured platform for debit card transactions, accounting for 70% of total transaction volumes.

STRATEGIC OPPORTUNITIES: The central bank notes that between 25% and 30% of the country's current customer base for banking services requires cards that can be used in New Zealand and Australia. In order to be fully operative in these countries these cards require bank identification number technology. Access to this technology among domestic financial institutions currently presents a bottleneck to the expansion of the segment. Although this technology has been provided under third-party agreements, these remain limited and there is, therefore, further potential for the expansion of this technology among commercial banks.

There is also room for expansion when it comes to credit cards. The central bank estimates that by 2020 PNG could have around 150,000 in circulation, although currently BSP, Westpac and ANZ are the only commercial banks issuing credit cards in the country. With this area being undersaturated, opportunities exist for second- and third-tier financial institutions to obtain a share of the market. Furthermore, the ongoing development of a national ***payments*** system will likely boost the adoption of both debit and credit card usage in PNG.

NATIONAL ***PAYMENT*** SYSTEM: In order to facilitate the development of such a system, the Bank of PNG launched a strategy for the implementation of a national ***payment*** system in 2009. The framework prioritised the establishment of secure and reliable mechanisms for the ***transfer*** of funds and the provision of access to modern ***payment*** services, both domestically and internationally to customers and firms in PNG. Furthermore, the plan envisioned shifting the country away from its current cash-oriented ***payment*** practices towards non-cash electronic ***payment*** instruments, in compliance with internationally recognised standards. It also sought to create an integrated competitive market among ***payment*** services providers. "The next phase for the banking sector will involve reducing overall reliance on cash in the market as a whole and especially in rural areas," Fleming told OBG. "The main issue is how to develop acceptance of electronic ***payment*** technology." Under this strategy, the implementation of the new ***payment*** system is set to be overseen by the central bank. Interbank ***transfers*** will be settled on the same day as they are made, and electronic trading of both foreign exchange and securities would be supported by new electronic delivery mechanisms. The plan also stipulates that ***payment*** service provision will not be the exclusive domain of commercial banks, rather it recommends that participants compete on services but cooperate on the development of infrastructure, thereby facilitating interoperability between providers.

The National ***Payment*** Systems Act was promulgated in 2013, establishing the mandate for the functions and powers of country's central bank with regards to ***payment*** systems, security, collateral and assets, as well as regulations for electronic money ***transfers***. The act also established the National ***Payments*** Council as a facilitator of institutional discussions around ***payment*** systems.

An updated policy framework, the Strategy and Action Plan for the Development of the PNG National ***Payments*** System 2015-18, was published in October 2015. The document provided details on the progress made towards the establishment of the system and provided an outline of the policy needed to complete the project. The document highlights that bank authorities have begun to implement a mandated modernisation process under the auspices of the original plan. One critical component of this has been the introduction of a Kina Automated ***Transfer*** System (KATS), a hybrid ***payment*** processing system enabling unified real-time gross settlement and automated clearing house functionality. KATS participants communicate with the system through the international SWIFT network, as well as a new fibre-optic network connecting banks to the Bank of PNG. This, in turn, is backed up by a microwave network under lease from the National Information and Communication Technology Authority.

MODERNISATION PROGRESS: The first stage of KATS went live in 2013, introducing interbank ***payment*** processing to PNG. The second stage - which included full electronic cheque truncation - came on-line in 2014, applying international standards for magnetic ink character recognition for all cheques. The Bank of PNG and all commercial banks now exchange cheques electronically under a four-day settlement cycle enabling banks to verify signatures prior to final settlement. The system has allowed banks to reduce cheque processing times and lower incidence of fraud. In February 2015, interbank retail direct credits settled through KATS were introduced, with the central bank reporting that it intends to introduce direct debit functionality at a future stage.

OUTLOOK: Despite an overall slowdown in financial activity, the banking system of PNG remains robust and well capitalised. The government has made progress in a number of key areas and lending in some sectors remains buoyant. Furthermore, ongoing economic stabilisation will likely support business and government lending activities in 2018, and the sector should see assets and business lending activities expand this ***year*** and next. Nevertheless, the majority of the country remains financially excluded. Tapping this large underserved consumer market will remain a major challenge for commercial banks. Mobile banking and fintech solutions have great potential, but require improvements in the country's banking and telecommunications infrastructure.

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[***JUVENILE JUSTICE REFORM ACT OF 2018 (House of Representatives - September 28, 2018)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5TDF-MWN1-JDG9-Y03R-00000-00&context=1516831)

Impact News Service

September 29, 2018 Saturday

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**Length:** 15595 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. LEWIS of Minnesota. Mr. Speaker, I ask unanimous consent that the Committee on Education and the Workforce be discharged from further consideration of the bill (H.R 6964) to reauthorize and improve the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes, and ask for its immediate consideration in the House. The Clerk read the title of the bill. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection. The text of the bill is as follows: H.R 6964 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE. This Act may be cited as the ``Juvenile Justice Reform Act of 2018''. SEC. 2. TABLE OF CONTENTS. The table of contents for this Act is as follows: Sec. 1. Short title. Sec. 2. Table of contents. Sec. 3. Application of amendments. TITLE I--DECLARATION OF PURPOSE AND DEFINITIONS Sec. 101. Purposes. Sec. 102. Definitions. TITLE II--CHARLES GRASSLEY JUVENILE JUSTICE AND DELINQUENCY PREVENTION ***PROGRAM*** Sec. 201. Concentration of Federal efforts. Sec. 202. Coordinating Council on Juvenile Justice and Delinquency Prevention. Sec. 203. Annual report. Sec. 204. Allocation of funds. Sec. 205. State plans. Sec. 206. Repeal of juvenile delinquency prevention block grant ***program***. Sec. 207. Research and evaluation; statistical analyses; information dissemination. Sec. 208. Training and technical assistance. Sec. 209. Administrative authority. TITLE III--INCENTIVE GRANTS FOR PRISON REDUCTION THROUGH OPPORTUNITIES, MENTORING, INTERVENTION, SUPPORT, AND EDUCATION Sec. 301. Short Title. Sec. 302. Definitions. Sec. 303. Duties and functions of the administrator. Sec. 304. Grants for delinquency prevention ***programs***. Sec. 305. Grants for tribal delinquency prevention and response ***programs***. Sec. 306. Evaluation by Government Accountability Office. Sec. 307. Technical amendment. TITLE IV--MISCELLANEOUS PROVISIONS Sec. 401. Evaluation by Government Accountability Office. Sec. 402. Authorization of appropriations; accountability and oversight. [[Page H9360]] SEC. 3. APPLICATION OF AMENDMENTS. The amendments made by this Act shall not apply with respect to funds appropriated for any fiscal ***year*** that begins before the date of the enactment of this Act. TITLE I--DECLARATION OF PURPOSE AND DEFINITIONS SEC. 101. PURPOSES. Section 102 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11102) is amended-- (1) in paragraph (1), by inserting ``, tribal,'' after ``State''; (2) in paragraph (2)-- (A) by inserting ``, tribal,'' after ``State''; and (B) by striking ``and'' at the end; (3) by amending paragraph (3) to read as follows: ``(3) to assist State, tribal, and local governments in addressing juvenile crime through the provision of technical assistance, research, training, evaluation, and the dissemination of current and relevant information on effective and evidence-based ***programs*** and practices for combating juvenile delinquency; and''; and (4) by adding at the end the following: ``(4) to support a continuum of evidence-based or promising ***programs*** (including delinquency prevention, intervention, mental health, behavioral health and substance abuse treatment, family services, and services for children exposed to violence) that are trauma informed, reflect the science of adolescent development, and are designed to meet the needs of at-risk youth and youth who come into contact with the justice system.''. SEC. 102. DEFINITIONS. Section 103 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11103) is amended-- (1) in paragraph (8)-- (A) in subparagraph (B)(ii), by adding ``or'' at the end; (B) by striking subparagraph (C); and (C) by redesignating subparagraph (D) as subparagraph (C); (2) in paragraph (18)-- (A) by inserting ``for purposes of title II,'' before ``the term''; and (B) by adding at the end the following: ``that has a law enforcement function, as determined by the Secretary of the Interior in consultation with the Attorney General;''; (3) by amending paragraph (22) to read as follows: ``(22) the term `jail or lockup for adults' means a secure facility that is used by a State, unit of local government, or law enforcement authority to detain or confine adult inmates;''; (4) by amending paragraph (25) to read as follows: ``(25) the term `sight or sound contact' means any physical, clear visual, or verbal contact that is not brief and inadvertent;''; (5) by amending paragraph (26) to read as follows: ``(26) the term `adult inmate'-- ``(A) means an individual who-- ``(i) has reached the age of full criminal responsibility under applicable State law; and ``(ii) has been arrested and is in custody for or awaiting trial on a criminal charge, or is convicted of a criminal offense; and ``(B) does not include an individual who-- ``(i) at the time of the offense, was younger than the maximum age at which a youth can be held in a juvenile facility under applicable State law; and ``(ii) was committed to the care and custody or supervision, including post-placement or parole supervision, of a juvenile correctional agency by a court of competent jurisdiction or by operation of applicable State law;''; (6) in paragraph (28), by striking ``and'' at the end; (7) in paragraph (29), by striking the period at the end and inserting a semicolon; and (8) by adding at the end the following: ``(30) the term `core requirements'-- ``(A) means the requirements described in paragraphs (11), (12), (13), and (15) of section 223(a); and ``(B) does not include the data collection requirements described in subparagraphs (A) through (K) of section 207(1); ``(31) the term `chemical agent' means a spray or injection used to temporarily incapacitate a person, including oleoresin capsicum spray, tear gas, and 2- chlorobenzalmalononitrile gas; ``(32) the term `isolation'-- ``(A) means any instance in which a youth is confined alone for more than 15 minutes in a room or cell; and ``(B) does not include-- ``(i) confinement during regularly scheduled sleeping hours; ``(ii) separation based on a treatment ***program*** approved by a licensed medical or mental health professional; ``(iii) confinement or separation that is requested by the youth; or ``(iv) the separation of the youth from a group in a nonlocked setting for the limited purpose of calming; ``(33) the term `restraints' has the meaning given that term in section 591 of the Public Health Service Act (42 U.S.C 290ii); ``(34) the term `evidence-based' means a ***program*** or practice that-- ``(A) is demonstrated to be effective when implemented with fidelity; ``(B) is based on a clearly articulated and empirically supported theory; ``(C) has measurable outcomes relevant to juvenile justice, including a detailed description of the outcomes produced in a particular population, whether urban or rural; and ``(D) has been scientifically tested and proven effective through randomized control studies or comparison group studies and with the ability to replicate and scale; ``(35) the term `promising' means a ***program*** or practice that-- ``(A) is demonstrated to be effective based on positive outcomes relevant to juvenile justice from one or more objective, independent, and scientifically valid evaluations, as documented in writing to the Administrator; and ``(B) will be evaluated through a well-designed and rigorous study, as described in paragraph (34)(D); ``(36) the term `dangerous practice' means an act, procedure, or ***program*** that creates an unreasonable risk of physical injury, pain, or psychological harm to a juvenile subjected to the act, procedure, or ***program***; ``(37) the term `screening' means a brief process-- ``(A) designed to identify youth who may have mental health, behavioral health, substance abuse, or other needs requiring immediate attention, intervention, and further evaluation; and ``(B) the purpose of which is to quickly identify a youth with possible mental health, behavioral health, substance abuse, or other needs in need of further assessment; ``(38) the term `assessment' includes, at a minimum, an interview and review of available records and other pertinent information-- ``(A) by an appropriately trained professional who is licensed or certified by the applicable State in the mental health, behavioral health, or substance abuse fields; and ``(B) which is designed to identify significant mental health, behavioral health, or substance abuse treatment needs to be addressed during a youth's confinement; ``(39) for purposes of section 223(a)(15), the term `contact' means the points at which a youth and the juvenile justice system or criminal justice system officially intersect, including interactions with a juvenile justice, juvenile court, or law enforcement official; ``(40) the term `trauma-informed' means-- ``(A) understanding the impact that exposure to violence and trauma have on a youth's physical, psychological, and psychosocial development; ``(B) recognizing when a youth has been exposed to violence and trauma and is in need of help to recover from the adverse impacts of trauma; and ``(C) responding in ways that resist retraumatization; ``(41) the term `racial and ethnic disparity' means minority youth populations are involved at a decision point in the juvenile justice system at disproportionately higher rates than non-minority youth at that decision point; ``(42) the term `status offender' means a juvenile who is charged with or who has committed an offense that would not be criminal if committed by an adult; ``(43) the term `rural' means an area that is not located in a metropolitan statistical area, as defined by the Office of Management and Budget; ``(44) the term `internal controls' means a process implemented to provide reasonable assurance regarding the achievement of objectives in-- ``(A) effectiveness and efficiency of operations, such as grant management practices; ``(B) reliability of reporting for internal and external use; and ``(C) compliance with applicable laws and regulations, as well as recommendations of the Office of Inspector General and the Government Accountability Office; and ``(45) the term `tribal government' means the governing body of an Indian Tribe.''. TITLE II--CHARLES GRASSLEY JUVENILE JUSTICE AND DELINQUENCY PREVENTION ***PROGRAM*** SEC. 201. CONCENTRATION OF FEDERAL EFFORTS. Section 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11114) is amended-- (1) in subsection (a)-- (A) in paragraph (1), in the first sentence-- (i) by striking ``a long-term plan, and implement'' and inserting the following: ``a long-term plan to improve the juvenile justice system in the United States, taking into account scientific knowledge regarding adolescent development and behavior and regarding the effects of delinquency prevention ***programs*** and juvenile justice interventions on adolescents, and shall implement''; and (ii) by striking ``research, and improvement of the juvenile justice system in the United States'' and inserting ``and research''; and (B) in paragraph (2)(B), by striking ``Federal Register'' and all that follows and inserting ``Federal Register during the 30-day period ending on October 1 of each ***year***.''; and (2) in subsection (b)-- (A) by striking paragraph (7); (B) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; (C) by inserting after paragraph (4), the following: ``(5) not later than 1 ***year*** after the date of enactment of the Juvenile Justice Reform Act of 2018, in consultation with Indian Tribes, develop a policy for the Office of Juvenile Justice and Delinquency Prevention [[Page H9361]] to collaborate with representatives of Indian Tribes with a criminal justice function on the implementation of the provisions of this Act relating to Indian Tribes;''; (D) in paragraph (6), as so redesignated, by adding ``and'' at the end; and (E) in paragraph (7), as so redesignated-- (i) by striking ``monitoring''; (ii) by striking ``section 223(a)(15)'' and inserting ``section 223(a)(14)''; and (iii) by striking ``to review the adequacy of such systems; and'' and inserting ``for monitoring compliance.''. SEC. 202. COORDINATING COUNCIL ON JUVENILE JUSTICE AND DELINQUENCY PREVENTION. Section 206 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11116) is amended-- (1) in subsection (a)-- (A) in paragraph (1)-- (i) by inserting ``the Assistant Secretary for Mental Health and Substance Use, the Secretary of the Interior,'' after ``the Secretary of Health and Human Services,''; and (ii) by striking ``Commissioner of Immigration and Naturalization'' and inserting ``Assistant Secretary for Immigration and Customs Enforcement''; and (B) in paragraph (2), by striking ``United States'' and inserting ``Federal Government''; and (2) in subsection (c)-- (A) in paragraph (1), by striking ``paragraphs (12)(A), (13), and (14) of section 223(a) of this title'' and inserting ``the core requirements''; and (B) in paragraph (2)-- (i) in the matter preceding subparagraph (A), by inserting ``, on an annual basis'' after ``collectively''; and (ii) by striking subparagraph (B) and inserting the following: ``(B) not later than 120 days after the completion of the last meeting of the Council during any fiscal ***year***, submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on the Judiciary of the Senate a report that-- ``(i) contains the recommendations described in subparagraph (A); ``(ii) includes a detailed account of the activities conducted by the Council during the fiscal ***year***, including a complete detailed accounting of expenses incurred by the Council to conduct operations in accordance with this section; ``(iii) is published on the websites of the Office of Juvenile Justice and Delinquency Prevention, the Council, and the Department of Justice; and ``(iv) is in addition to the annual report required under section 207.''. SEC. 203. ANNUAL REPORT. Section 207 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11117) is amended-- (1) in the matter preceding paragraph (1), by striking ``a fiscal ***year***'' and inserting ``each fiscal ***year***''; (2) in paragraph (1)-- (A) in subparagraph (B), by striking ``and gender'' and inserting ``, gender, and ethnicity, as such term is defined by the Bureau of the Census,''; (B) in subparagraph (E), by striking ``and'' at the end; (C) in subparagraph (F)-- (i) by inserting ``and other'' before ``disabilities,''; and (ii) by striking the period at the end and inserting a semicolon; and (D) by adding at the end the following: ``(G) a summary of data from 1 month of the applicable fiscal ***year*** of the use of restraints and isolation upon juveniles held in the custody of secure detention and correctional facilities operated by a State or unit of local government; ``(H) the number of status offense cases petitioned to court, number of status offenders held in secure detention, the findings used to justify the use of secure detention, and the average period of time a status offender was held in secure detention; ``(I) the number of juveniles released from custody and the type of living arrangement to which they are released; ``(J) the number of juveniles whose offense originated on school grounds, during school-sponsored off-campus activities, or due to a referral by a school official, as collected and reported by the Department of Education or similar State educational agency; and ``(K) the number of juveniles in the custody of secure detention and correctional facilities operated by a State or unit of local or tribal government who report being pregnant.''; and (3) by adding at the end the following: ``(5) A description of the criteria used to determine what ***programs*** qualify as evidence-based and promising ***programs*** under this title and title V and a comprehensive list of those ***programs*** the Administrator has determined meet such criteria in both rural and urban areas. ``(6) A description of funding provided to Indian Tribes under this Act or for a juvenile delinquency or prevention ***program*** under the Tribal Law and Order Act of 2010 (Public Law 111-211; 124 Stat. 2261), including direct Federal grants and funding provided to Indian Tribes through a State or unit of local government. ``(7) An analysis and evaluation of the internal controls at the Office of Juvenile Justice and Delinquency Prevention to determine if grantees are following the requirements of the Office of Juvenile Justice and Delinquency Prevention grant ***programs*** and what remedial action the Office of Juvenile Justice and Delinquency Prevention has taken to recover any grant funds that are expended in violation of the grant ***programs***, including instances-- ``(A) in which supporting documentation was not provided for cost reports; ``(B) where unauthorized expenditures occurred; or ``(C) where subrecipients of grant funds were not compliant with ***program*** requirements. ``(8) An analysis and evaluation of the total amount of ***payments*** made to grantees that the Office of Juvenile Justice and Delinquency Prevention recouped from grantees that were found to be in violation of policies and procedures of the Office of Juvenile Justice and Delinquency Prevention grant ***programs***, including-- ``(A) the full name and location of the grantee; ``(B) the violation of the ***program*** found; ``(C) the amount of funds sought to be recouped by the Office of Juvenile Justice and Delinquency Prevention; and ``(D) the actual amount recouped by the Office of Juvenile Justice and Delinquency Prevention.''. SEC. 204. ALLOCATION OF FUNDS. (a) Technical Assistance.--Section 221(b)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11131(b)(1)) is amended by striking ``2 percent'' and inserting ``5 percent''. (b) Other Allocations.--Section 222 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11132) is amended-- (1) in subsection (a)-- (A) in paragraph (1), by striking ``age eighteen'' and inserting ``18 ***years*** of age, based on the most recent data available from the Bureau of the Census''; and (B) by striking paragraphs (2) and (3) and inserting the following: ``(2)(A) If the aggregate amount appropriated for a fiscal ***year*** to carry out this title is less than $75,000,000, then-- ``(i) the amount allocated to each State other than a State described in clause (ii) for that fiscal ***year*** shall be not less than $400,000; and ``(ii) the amount allocated to the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands for that fiscal ***year*** shall be not less than $75,000. ``(B) If the aggregate amount appropriated for a fiscal ***year*** to carry out this title is not less than $75,000,000, then-- ``(i) the amount allocated to each State other than a State described in clause (ii) for that fiscal ***year*** shall be not less than $600,000; and ``(ii) the amount allocated to the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands for that fiscal ***year*** shall be not less than $100,000.''; (2) in subsection (c), by striking ``efficient administration, including monitoring, evaluation, and one full-time staff position'' and inserting ``effective and efficient administration of funds, including the designation of not less than one individual who shall coordinate efforts to achieve and sustain compliance with the core requirements and certify whether the State is in compliance with such requirements''; and (3) in subsection (d), by striking ``5 per centum of the minimum'' and inserting ``not more than 5 percent of the''. (c) Charles Grassley Juvenile Justice and Delinquency Prevention ***Program***.--Part B of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11131 et seq.) is amended-- (1) in the part heading, by striking ``Federal Assistance for State and Local ***Programs***'' and inserting ``Charles Grassley Juvenile Justice and Delinquency Prevention ***Program***''; and (2) by inserting before section 221 the following: ``short title ``Sec. 220. This part may be cited as the `Charles Grassley Juvenile Justice and Delinquency Prevention ***Program***'.''. SEC. 205. STATE PLANS. Section 223 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11133) is amended-- (1) in subsection (a)-- (A) in the matter preceding paragraph (1), by striking ``and shall describe the status of compliance with State plan requirements.'' and inserting ``and shall describe how the State plan is supported by or takes account of scientific knowledge regarding adolescent development and behavior and regarding the effects of delinquency prevention ***programs*** and juvenile justice interventions on adolescents. Not later than 60 days after the date on which a plan or amended plan submitted under this subsection is finalized, a State shall make the plan or amended plan publicly available by posting the plan or amended plan on the State's publicly available website.''; (B) in paragraph (1), by striking ``described in section 299(c)(1)'' and inserting ``as designated by the chief executive officer of the State''; (C) in paragraph (3)-- (i) in subparagraph (A)-- (I) in clause (i), by inserting ``adolescent development,'' after ``concerning''; (II) in clause (ii)-- (aa) in subclause (III), by striking ``mental health, education, special education'' and inserting ``child and adolescent mental health, [[Page H9362]] education, child and adolescent substance abuse, special education, services for youth with disabilities''; (bb) in subclause (V), by striking ``delinquents or potential delinquents'' and inserting ``delinquent youth or youth at risk of delinquency''; (cc) in subclause (VI), by striking ``youth workers involved with'' and inserting ``representatives of''; (dd) in subclause (VII), by striking ``and'' at the end; (ee) by striking subclause (VIII) and inserting the following: ``(VIII) persons, licensed or certified by the applicable State, with expertise and competence in preventing and addressing mental health and substance abuse needs in delinquent youth and youth at risk of delinquency; ``(IX) representatives of victim or witness advocacy groups, including at least one individual with expertise in addressing the challenges of sexual abuse and exploitation and trauma, particularly the needs of youth who experience disproportionate levels of sexual abuse, exploitation, and trauma before entering the juvenile justice system; and ``(X) for a State in which one or more Indian Tribes are located, an Indian tribal representative (if such representative is available) or other individual with significant expertise in tribal law enforcement and juvenile justice in Indian tribal communities;''; (III) in clause (iv), by striking ``24 at the time of appointment'' and inserting ``28 at the time of initial appointment''; and (IV) in clause (v) by inserting ``or, if not feasible and in appropriate circumstances, who is the parent or guardian of someone who has been or is currently under the jurisdiction of the juvenile justice system'' after ``juvenile justice system''; (ii) in subparagraph (C), by striking ``30 days'' and inserting ``45 days''; (iii) in subparagraph (D)-- (I) in clause (i), by striking ``and'' at the end; and (II) in clause (ii), by striking ``at least annually recommendations regarding State compliance with the requirements of paragraphs (11), (12), and (13)'' and inserting ``at least every 2 ***years*** a report and necessary recommendations regarding State compliance with the core requirements''; and (iv) in subparagraph (E)-- (I) in clause (i), by adding ``and'' at the end; and (II) in clause (ii), by striking the period at the end and inserting a semicolon; (D) in paragraph (5)(C), by striking ``Indian tribes'' and all that follows through ``applicable to the detention and confinement of juveniles'' and inserting ``Indian Tribes that agree to attempt to comply with the core requirements applicable to the detention and confinement of juveniles''; (E) in paragraph (7)-- (i) in subparagraph (A), by striking ``performs law enforcement functions'' and inserting ``has jurisdiction''; and (ii) in subparagraph (B)-- (I) in clause (iii), by striking ``and'' at the end; and (II) by striking clause (iv) and inserting the following: ``(iv) a plan to provide alternatives to detention for status offenders, survivors of commercial sexual exploitation, and others, where appropriate, such as specialized or problem-solving courts or diversion to home- based or community-based services or treatment for those youth in need of mental health, substance abuse, or co- occurring disorder services at the time such juveniles first come into contact with the juvenile justice system; ``(v) a plan to reduce the number of children housed in secure detention and corrections facilities who are awaiting placement in residential treatment ***programs***; ``(vi) a plan to engage family members, where appropriate, in the design and delivery of juvenile delinquency prevention and treatment services, particularly post-placement; ``(vii) a plan to use community-based services to respond to the needs of at-risk youth or youth who have come into contact with the juvenile justice system; ``(viii) a plan to promote evidence-based and trauma- informed ***programs*** and practices; and ``(ix) not later than 1 ***year*** after the date of enactment of the Juvenile Justice Reform Act of 2018, a plan which shall be implemented not later than 2 ***years*** after the date of enactment of the Juvenile Justice Reform Act of 2018, to-- ``(I) eliminate the use of restraints of known pregnant juveniles housed in secure juvenile detention and correction facilities, during labor, delivery, and post-partum recovery, unless credible, reasonable grounds exist to believe the detainee presents an immediate and serious threat of hurting herself, staff, or others; and ``(II) eliminate the use of abdominal restraints, leg and ankle restraints, wrist restraints behind the back, and four- point restraints on known pregnant juveniles, unless-- ``(aa) credible, reasonable grounds exist to believe the detainee presents an immediate and serious threat of hurting herself, staff, or others; or ``(bb) reasonable grounds exist to believe the detainee presents an immediate and credible risk of escape that cannot be reasonably minimized through any other method;''; (F) in paragraph (8), by striking ``existing'' and inserting ``evidence-based and promising''; (G) in paragraph (9)-- (i) in the matter preceding subparagraph (A), by inserting ``, with priority in funding given to entities meeting the criteria for evidence-based or promising ***programs***'' after ``used for''; (ii) in subparagraph (A)-- (I) in clause (i)-- (aa) by inserting ``status offenders and other'' before ``youth who need''; and (bb) by striking ``and'' at the end; (II) in clause (ii) by adding ``and'' at the end; and (III) by inserting after clause (ii) the following: ``(iii) for youth who need specialized intensive and comprehensive services that address the unique issues encountered by youth when they become involved with gangs;''; (iii) in subparagraph (B)(i)-- (I) by striking ``parents and other family members'' and inserting ``status offenders, other youth, and the parents and other family members of such offenders and youth''; and (II) by striking ``be retained'' and inserting ``remain''; (iv) in subparagraph (E)-- (I) in the matter preceding clause (i), by striking ``delinquent'' and inserting ``at-risk or delinquent youth''; and (II) in clause (i), by inserting ``, including for truancy prevention and reduction'' before the semicolon; (v) in subparagraph (F), in the matter preceding clause (i), by striking ``expanding'' and inserting ``***programs*** to expand''; (vi) by redesignating subparagraphs (G) through (S) as subparagraphs (H) through (T), respectively; (vii) by inserting after subparagraph (F), the following: ``(G) ***programs***-- ``(i) to ensure youth have access to appropriate legal representation; and ``(ii) to expand access to publicly supported, court- appointed legal counsel who are trained to represent juveniles in adjudication proceedings, except that the State may not use more than 2 percent of the funds received under section 222 for these purposes;''; (viii) in subparagraph (H), as so redesignated, by striking ``State,'' each place the term appears and inserting ``State, tribal,''; (ix) in subparagraph (M), as so redesignated-- (I) in clause (i)-- (aa) by inserting ``pre-adjudication and'' before ``post- adjudication''; (bb) by striking ``restraints'' and inserting ``alternatives''; and (cc) by inserting ``specialized or problem-solving courts,'' after ``(including''; and (II) in clause (ii)-- (aa) by striking ``by the provision by the Administrator''; and (bb) by striking ``to States''; (x) in subparagraph (N), as so redesignated-- (I) by inserting ``and reduce the risk of recidivism'' after ``families''; and (II) by striking ``so that such juveniles may be retained in their homes''; (xi) in subparagraph (S), as so redesignated, by striking ``and'' at the end; (xii) in subparagraph (T), as so redesignated-- (I) by inserting ``or co-occurring disorder'' after ``mental health''; (II) by inserting ``court-involved or'' before ``incarcerated''; (III) by striking ``suspected to be''; (IV) by striking ``and discharge plans'' and inserting ``provision of treatment, and development of discharge plans''; and (V) by striking the period at the end and inserting a semicolon; and (xiii) by inserting after subparagraph (T) the following: ``(U) ***programs*** and projects designed-- ``(i) to inform juveniles of the opportunity and process for sealing and expunging juvenile records; and ``(ii) to assist juveniles in pursuing juvenile record sealing and expungements for both adjudications and arrests not followed by adjudications; except that the State may not use more than 2 percent of the funds received under section 222 for these purposes; ``(V) ***programs*** that address the needs of girls in or at risk of entering the juvenile justice system, including pregnant girls, young mothers, survivors of commercial sexual exploitation or domestic child sex trafficking, girls with disabilities, and girls of color, including girls who are members of an Indian Tribe; and ``(W) monitoring for compliance with the core requirements and providing training and technical assistance on the core requirements to secure facilities;''; (H) by striking paragraph (11) and inserting the following: ``(11)(A) in accordance with rules issued by the Administrator, provide that a juvenile shall not be placed in a secure detention facility or a secure correctional facility, if-- ``(i) the juvenile is charged with or has committed an offense that would not be criminal if committed by an adult, excluding-- ``(I) a juvenile who is charged with or has committed a violation of section 922(x)(2) of title 18, United States Code, or of a similar State law; ``(II) a juvenile who is charged with or has committed a violation of a valid court order issued and reviewed in accordance with paragraph (23); and [[Page H9363]] ``(III) a juvenile who is held in accordance with the Interstate Compact on Juveniles as enacted by the State; or ``(ii) the juvenile-- ``(I) is not charged with any offense; and ``(II)(aa) is an alien; or ``(bb) is alleged to be dependent, neglected, or abused; and ``(B) require that-- ``(i) not later than 3 ***years*** after the date of enactment of the Juvenile Justice Reform Act of 2018, unless a court finds, after a hearing and in writing, that it is in the interest of justice, juveniles awaiting trial or other legal process who are treated as adults for purposes of prosecution in criminal court and housed in a secure facility-- ``(I) shall not have sight or sound contact with adult inmates; and ``(II) except as provided in paragraph (13), may not be held in any jail or lockup for adults; ``(ii) in determining under clause (i) whether it is in the interest of justice to permit a juvenile to be held in any jail or lockup for adults, or have sight or sound contact with adult inmates, a court shall consider-- ``(I) the age of the juvenile; ``(II) the physical and mental maturity of the juvenile; ``(III) the present mental state of the juvenile, including whether the juvenile presents an imminent risk of harm to the juvenile; ``(IV) the nature and circumstances of the alleged offense; ``(V) the juvenile's history of prior delinquent acts; ``(VI) the relative ability of the available adult and juvenile detention facilities to not only meet the specific needs of the juvenile but also to protect the safety of the public as well as other detained youth; and ``(VII) any other relevant factor; and ``(iii) if a court determines under clause (i) that it is in the interest of justice to permit a juvenile to be held in any jail or lockup for adults-- ``(I) the court shall hold a hearing not less frequently than once every 30 days, or in the case of a rural jurisdiction, not less frequently than once every 45 days, to review whether it is still in the interest of justice to permit the juvenile to be so held or have such sight or sound contact; and ``(II) the juvenile shall not be held in any jail or lockup for adults, or permitted to have sight or sound contact with adult inmates, for more than 180 days, unless the court, in writing, determines there is good cause for an extension or the juvenile expressly waives this limitation;''. (I) in paragraph (12)(A), by striking ``contact'' and inserting ``sight or sound contact''; (J) in paragraph (13), by striking ``contact'' each place it appears and inserting ``sight or sound contact''; (K) in paragraph (14)-- (i) by striking ``adequate system'' and inserting ``effective system''; (ii) by inserting ``lock-ups,'' after ``monitoring jails,''; (iii) by inserting ``and'' after ``detention facilities,''; (iv) by striking ``, and non-secure facilities''; (v) by striking ``insure'' and inserting ``ensure''; (vi) by striking ``requirements of paragraphs (11), (12), and (13)'' and inserting ``core requirements''; and (vii) by striking ``, in the opinion of the Administrator,''; (L) by striking paragraphs (22) and (27); (M) by redesignating paragraph (28) as paragraph (27); (N) by redesignating paragraphs (15) through (21) as paragraphs (16) through (22), respectively; (O) by inserting after paragraph (14) the following: ``(15) implement policy, practice, and system improvement strategies at the State, territorial, local, and tribal levels, as applicable, to identify and reduce racial and ethnic disparities among youth who come into contact with the juvenile justice system, without establishing or requiring numerical standards or quotas, by-- ``(A) establishing or designating existing coordinating bodies, composed of juvenile justice stakeholders, (including representatives of the educational system) at the State, local, or tribal levels, to advise efforts by States, units of local government, and Indian Tribes to reduce racial and ethnic disparities; ``(B) identifying and analyzing data on race and ethnicity at decision points in State, local, or tribal juvenile justice systems to determine which such points create racial and ethnic disparities among youth who come into contact with the juvenile justice system; and ``(C) developing and implementing a work plan that includes measurable objectives for policy, practice, or other system changes, based on the needs identified in the data collection and analysis under subparagraph (B);''; (P) in paragraph (16), as so redesignated, by inserting ``ethnicity,'' after ``race,''; (Q) in paragraph (21), as so redesignated, by striking ``local,'' each place the term appears and inserting ``local, tribal,''; (R) in paragraph (23)-- (i) in subparagraphs (A), (B), and (C), by striking ``juvenile'' each place it appears and inserting ``status offender''; (ii) in subparagraph (B), by striking ``and'' at the end; (iii) in subparagraph (C)-- (I) in clause (i), by striking ``and'' at the end; (II) in clause (ii), by adding ``and'' at the end; and (III) by adding at the end the following: ``(iii) if such court determines the status offender should be placed in a secure detention facility or correctional facility for violating such order-- ``(I) the court shall issue a written order that-- ``(aa) identifies the valid court order that has been violated; ``(bb) specifies the factual basis for determining that there is reasonable cause to believe that the status offender has violated such order; ``(cc) includes findings of fact to support a determination that there is no appropriate less restrictive alternative available to placing the status offender in such a facility, with due consideration to the best interest of the juvenile; ``(dd) specifies the length of time, not to exceed 7 days, that the status offender may remain in a secure detention facility or correctional facility, and includes a plan for the status offender's release from such facility; and ``(ee) may not be renewed or extended; and ``(II) the court may not issue a second or subsequent order described in subclause (I) relating to a status offender unless the status offender violates a valid court order after the date on which the court issues an order described in subclause (I); and''; and (iv) by adding at the end the following: ``(D) there are procedures in place to ensure that any status offender held in a secure detention facility or correctional facility pursuant to a court order described in this paragraph does not remain in custody longer than 7 days or the length of time authorized by the court, whichever is shorter;''; (S) in paragraph (26)-- (i) by inserting ``and in accordance with confidentiality concerns,'' after ``maximum extent practicable,''; and (ii) by striking the semicolon at the end and inserting the following: ``, so as to provide for-- ``(A) data in child abuse or neglect reports relating to juveniles entering the juvenile justice system with a prior reported history of arrest, court intake, probation and parole, juvenile detention, and corrections; and ``(B) a plan to use the data described in subparagraph (A) to provide necessary services for the treatment of such victims of child abuse or neglect;''; (T) in paragraph (27), as so redesignated, by striking the period at the end and inserting a semicolon; and (U) by adding at the end the following: ``(28) provide for the coordinated use of funds provided under this title with other Federal and State funds directed at juvenile delinquency prevention and intervention ***programs***; ``(29) describe the policies, procedures, and training in effect for the staff of juvenile State correctional facilities to eliminate the use of dangerous practices, unreasonable restraints, and unreasonable isolation, including by developing effective behavior management techniques; ``(30) describe-- ``(A) the evidence-based methods that will be used to conduct mental health and substance abuse screening, assessment, referral, and treatment for juveniles who-- ``(i) request a screening; ``(ii) show signs of needing a screening; or ``(iii) are held for a period of more than 24 hours in a secure facility that provides for an initial screening; and ``(B) how the State will seek, to the extent practicable, to provide or arrange for mental health and substance abuse disorder treatment for juveniles determined to be in need of such treatment; ``(31) describe how reentry planning by the State for juveniles will include-- ``(A) a written case plan based on an assessment of needs that includes-- ``(i) the pre-release and post-release plans for the juveniles; ``(ii) the living arrangement to which the juveniles are to be discharged; and ``(iii) any other plans developed for the juveniles based on an individualized assessment; and ``(B) review processes; ``(32) provide an assurance that the agency of the State receiving funds under this title collaborates with the State educational agency receiving assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C 6311 et seq.) to develop and implement a plan to ensure that, in order to support educational progress-- ``(A) the student records of adjudicated juveniles, including electronic records if available, are ***transferred*** in a timely manner from the educational ***program*** in the juvenile detention or secure treatment facility to the educational or training ***program*** into which the juveniles will enroll; ``(B) the credits of adjudicated juveniles are ***transferred***; and ``(C) adjudicated juveniles receive full or partial credit toward high school graduation for secondary school coursework satisfactorily completed before and during the period of time during which the juveniles are held in custody, regardless of the local educational agency or entity from which the credits were earned; and ``(33) describe policies and procedures to-- [[Page H9364]] ``(A) screen for, identify, and document in records of the State the identification of victims of domestic human trafficking, or those at risk of such trafficking, upon intake; and ``(B) divert youth described in subparagraph (A) to appropriate ***programs*** or services, to the extent practicable.''; (2) by amending subsection (c) to read as follows: ``(c)(1) If a State fails to comply with any of the core requirements in any fiscal ***year***, then-- ``(A) subject to subparagraph (B), the amount allocated to such State under section 222 for the subsequent fiscal ***year*** shall be reduced by not less than 20 percent for each core requirement with respect to which the failure occurs; and ``(B) the State shall be ineligible to receive any allocation under such section for such fiscal ***year*** unless-- ``(i) the State agrees to expend 50 percent of the amount allocated to the State for such fiscal ***year*** to achieve compliance with any such core requirement with respect to which the State is in noncompliance; or ``(ii) the Administrator determines that the State-- ``(I) has achieved substantial compliance with such applicable requirements with respect to which the State was not in compliance; and ``(II) has made, through appropriate executive or legislative action, an unequivocal commitment to achieving full compliance with such applicable requirements within a reasonable time. ``(2) Of the total amount of funds not allocated for a fiscal ***year*** under paragraph (1)-- ``(A) 50 percent of the unallocated funds shall be reallocated under section 222 to States that have not failed to comply with the core requirements; and ``(B) 50 percent of the unallocated funds shall be used by the Administrator to provide additional training and technical assistance to States for the purpose of promoting compliance with the core requirements.''; (3) in subsection (d)-- (A) by striking ``described in paragraphs (11), (12), (13), and (22) of subsection (a)'' and inserting ``described in the core requirements''; and (B) by striking ``the requirements under paragraphs (11), (12), (13), and (22) of subsection (a)'' and inserting ``the core requirements''; (4) in subsection (f)(2)-- (A) by striking subparagraph (A); and (B) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and (5) by adding at the end the following: ``(g) Compliance Determination.-- ``(1) In general.--For each fiscal ***year***, the Administrator shall make a determination regarding whether each State receiving a grant under this title is in compliance or out of compliance with respect to each of the core requirements. ``(2) Reporting.--The Administrator shall-- ``(A) issue an annual public report-- ``(i) describing any determination described in paragraph (1) made during the previous ***year***, including a summary of the information on which the determination is based and the actions to be taken by the Administrator (including a description of any reduction imposed under subsection (c)); and ``(ii) for any such determination that a State is out of compliance with any of the core requirements, describing the basis for the determination; and ``(B) make the report described in subparagraph (A) available on a publicly available website. ``(3) Determinations required.--The Administrator may not-- ``(A) determine that a State is `not out of compliance', or issue any other determination not described in paragraph (1), with respect to any core requirement; or ``(B) otherwise fail to make the compliance determinations required under paragraph (1).''. SEC. 206. REPEAL OF JUVENILE DELINQUENCY PREVENTION BLOCK GRANT ***PROGRAM***. Part C of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11141 et seq.) is repealed. SEC. 207. RESEARCH AND EVALUATION; STATISTICAL ANALYSES; INFORMATION DISSEMINATION. Section 251 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11161) is amended-- (1) in subsection (a)-- (A) in paragraph (1)-- (i) in the matter preceding subparagraph (A), by striking ``may'' and inserting ``shall''; (ii) in subparagraph (A), by striking ``plan and identify'' and inserting ``annually publish a plan to identify''; and (iii) in subparagraph (B)-- (I) by striking clause (iii) and inserting the following: ``(iii) successful efforts to prevent status offenders and first-time minor offenders from subsequent involvement with the juvenile justice and criminal justice systems;''; (II) by striking clause (vii) and inserting the following: ``(vii) the prevalence and duration of behavioral health needs (including mental health, substance abuse, and co- occurring disorders) among juveniles pre-placement and post- placement in the juvenile justice system, including an examination of the effects of secure detention in a correctional facility;''; (III) by redesignating clauses (ix), (x), and (xi) as clauses (xvi), (xvii), and (xviii), respectively; and (IV) by inserting after clause (viii) the following: ``(ix) training efforts and reforms that have produced reductions in or elimination of the use of dangerous practices; ``(x) methods to improve the recruitment, selection, training, and retention of professional personnel who are focused on the prevention, identification, and treatment of delinquency; ``(xi) methods to improve the identification and response to victims of domestic child sex trafficking within the juvenile justice system; ``(xii) identifying positive outcome measures, such as attainment of employment and educational degrees, that States and units of local government should use to evaluate the success of ***programs*** aimed at reducing recidivism of youth who have come in contact with the juvenile justice system or criminal justice system; ``(xiii) evaluating the impact and outcomes of the prosecution and sentencing of juveniles as adults; ``(xiv) successful and cost-effective efforts by States and units of local government to reduce recidivism through policies that provide for consideration of appropriate alternative sanctions to incarceration of youth facing nonviolent charges, while ensuring that public safety is preserved;''; and (B) in paragraph (4)-- (i) in the matter preceding subparagraph (A)-- (I) by striking ``date of enactment of this paragraph, the'' and inserting ``date of enactment of the Juvenile Justice Reform Act of 2018, the''; and (II) by inserting ``in accordance with applicable confidentiality requirements'' after ``wards of the State''; and (ii) in subparagraph (D), by inserting ``and Indian Tribes'' after ``State''; (iii) in subparagraph (F), by striking ``and'' at the end; (iv) in subparagraph (G), by striking the period at the end and inserting a semicolon; and (v) by adding at the end the following: ``(H) a description of the best practices in discharge planning; and ``(I) an assessment of living arrangements for juveniles who, upon release from confinement in a State correctional facility, cannot return to the residence they occupied prior to such confinement.''; (2) in subsection (b), in the matter preceding paragraph (1), by striking ``may'' and inserting ``shall''; and (3) by adding at the end the following: ``(f) National Recidivism Measure.--The Administrator, in accordance with applicable confidentiality requirements and in consultation with experts in the field of juvenile justice research, recidivism, and data collection, shall-- ``(1) establish a uniform method of data collection and technology that States may use to evaluate data on juvenile recidivism on an annual basis; ``(2) establish a common national juvenile recidivism measurement system; and ``(3) make cumulative juvenile recidivism data that is collected from States available to the public.''. SEC. 208. TRAINING AND TECHNICAL ASSISTANCE. Section 252 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11162) is amended-- (1) in subsection (a)-- (A) in the matter preceding paragraph (1), by striking ``may''; (B) in paragraph (1)-- (i) by inserting ``shall'' before ``develop and carry out projects''; and (ii) by striking ``and'' after the semicolon; (C) in paragraph (2)-- (i) by inserting ``may'' before ``make grants to and contracts with''; and (ii) by striking the period at the end and inserting ``; and''; and (D) by adding at the end the following: ``(3) shall provide periodic training for States regarding implementation of the core requirements, current protocols and best practices for achieving and monitoring compliance, and information sharing regarding relevant Office resources on evidence-based and promising ***programs*** or practices that promote the purposes of this Act.''; (2) in subsection (b)-- (A) in the matter preceding paragraph (1), by striking ``may''; (B) in paragraph (1)-- (i) by inserting ``shall'' before ``develop and implement projects''; (ii) by inserting ``, including compliance with the core requirements'' after ``this title''; and (iii) by striking ``and'' at the end; (C) in paragraph (2)-- (i) by inserting ``may'' before ``make grants to and contracts with''; and (ii) by striking the period at the end and inserting a semicolon; and (D) by adding at the end the following: ``(3) shall provide technical assistance to States and units of local government on achieving compliance with the amendments to the core requirements and State Plans made by the Juvenile Justice Reform Act of 2018, including training and technical assistance and, when appropriate, pilot or demonstration projects intended to develop and replicate best practices for achieving sight [[Page H9365]] and sound separation in facilities or portions of facilities that are open and available to the general public and that may or may not contain a jail or a lock-up; and ``(4) shall provide technical assistance to States in support of efforts to establish partnerships between a State and a university, institution of higher education, or research center designed to improve the recruitment, selection, training, and retention of professional personnel in the fields of medicine, law enforcement, the judiciary, juvenile justice, social work and child protection, education, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of delinquency.''; (3) in subsection (c)-- (A) by inserting ``prosecutors,'' after ``public defenders,''; and (B) by inserting ``status offenders and'' after ``needs of''; and (4) by adding at the end the following: ``(d) Best Practices Regarding Legal Representation of Children.--In consultation with experts in the field of juvenile defense, the Administrator shall-- ``(1) share best practices that may include sharing standards of practice developed by recognized entities in the profession, for attorneys representing children; and ``(2) provide a State, if it so requests, technical assistance to implement any of the best practices shared under paragraph (1). ``(e) Best Practices for Status Offenders.--Based on the available research and State practices, the Administrator shall-- ``(1) disseminate best practices for the treatment of status offenders with a focus on reduced recidivism, improved long-term outcomes, and limited usage of valid court orders to place status offenders in secure detention; and ``(2) provide a State, on request, technical assistance to implement any of the best practices shared under paragraph (1). ``(f) Training and Technical Assistance for Local and State Juvenile Detention and Corrections Personnel.--The Administrator shall coordinate training and technical assistance ***programs*** with juvenile detention and corrections personnel of States and units of local government-- ``(1) to promote methods for improving conditions of juvenile confinement, including methods that are designed to minimize the use of dangerous practices, unreasonable restraints, and isolation and methods responsive to cultural differences; and ``(2) to encourage alternative behavior management techniques based on positive youth development approaches that may include methods responsive to cultural differences. ``(g) Training and Technical Assistance To Support Mental Health or Substance Abuse Treatment Including Home-Based or Community-Based Care.--The Administrator shall provide training and technical assistance, in conjunction with the appropriate public agencies, to individuals involved in making decisions regarding the disposition and management of cases for youth who enter the juvenile justice system about the appropriate services and placement for youth with mental health or substance abuse needs, including-- ``(1) juvenile justice intake personnel; ``(2) probation officers; ``(3) juvenile court judges and court services personnel; ``(4) prosecutors and court-appointed counsel; and ``(5) family members of juveniles and family advocates. ``(h) Training and Technical Assistance to Support Juvenile Court Judges and Personnel.--The Attorney General, acting through the Office of Juvenile Justice and Delinquency Prevention and the Office of Justice ***Programs*** in consultation with entities in the profession, shall provide directly, or through grants or contracts, training and technical assistance to enhance the capacity of State and local courts, judges, and related judicial personnel to-- ``(1) improve the lives of children currently involved in or at risk of being involved in the juvenile court system; and ``(2) carry out the requirements of this Act. ``(i) Free and Reduced Price School Lunches for Incarcerated Juveniles.--The Attorney General, in consultation with the Secretary of ***Agriculture***, shall provide guidance to States relating to existing options for school food authorities in the States to apply for reimbursement for free or reduced price lunches under the Richard B. Russell National School Lunch Act (42 U.S.C 1751 et seq.) for juveniles who are incarcerated and would, if not incarcerated, be eligible for free or reduced price lunches under that Act.''. SEC. 209. ADMINISTRATIVE AUTHORITY. Section 299A of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11182) is amended-- (1) in subsection (d)-- (A) by inserting ``(1)'' before ``The Administrator''; (B) by striking ``, after appropriate consultation with representatives of States and units of local government,''; (C) by inserting ``guidance,'' after ``regulations,''; and (D) by adding at the end the following: ``In developing guidance and procedures, the Administrator shall consult with representatives of States and units of local government, including those individuals responsible for administration of this Act and compliance with the core requirements. ``(2) The Administrator shall ensure that-- ``(A) reporting, compliance reporting, State plan requirements, and other similar documentation as may be required from States is requested in a manner that respects confidentiality, encourages efficiency and reduces the duplication of reporting efforts; and ``(B) States meeting all the core requirements are encouraged to experiment with offering innovative, data- driven ***programs*** designed to further improve the juvenile justice system.''; and (2) in subsection (e), by striking ``requirements described in paragraphs (11), (12), and (13) of section 223(a)'' and inserting ``core requirements''. TITLE III--INCENTIVE GRANTS FOR PRISON REDUCTION THROUGH OPPORTUNITIES, MENTORING, INTERVENTION, SUPPORT, AND EDUCATION SEC. 301. SHORT TITLE. Section 501 of the Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 (34 U.S.C 11101 note) is amended-- (1) by inserting ``Youth Promise'' before ``Grants''; and (2) by striking ``2002'' and inserting ``2018''. SEC. 302. DEFINITIONS. Section 502 of the Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 (34 U.S.C 11281) is amended to read as follows: ``SEC. 502. DEFINITIONS. ``In this title-- ``(1) the term `at-risk' has the meaning given that term in section 1432 of the Elementary and Secondary Education Act of 1965 (20 U.S.C 6472); ``(2) the term `eligible entity' means-- ``(A) a unit of local government that is in compliance with the requirements of part B of title II; or ``(B) a nonprofit organization in partnership with a unit of local government described in subparagraph (A); ``(3) the term `delinquency prevention ***program***' means a delinquency prevention ***program*** that is evidence-based or promising and that may include-- ``(A) alcohol and substance abuse prevention or treatment services; ``(B) tutoring and remedial education, especially in reading and mathematics; ``(C) child and adolescent health and mental health services; ``(D) recreation services; ``(E) leadership and youth development activities; ``(F) the teaching that individuals are and should be held accountable for their actions; ``(G) assistance in the development of job training skills; ``(H) youth mentoring ***programs***; ``(I) after-school ***programs***; ``(J) coordination of a continuum of services that may include-- ``(i) early childhood development services; ``(ii) voluntary home visiting ***programs***; ``(iii) nurse-family partnership ***programs***; ``(iv) parenting skills training; ``(v) child abuse prevention ***programs***; ``(vi) family stabilization ***programs***; ``(vii) child welfare services; ``(viii) family violence intervention ***programs***; ``(ix) adoption assistance ***programs***; ``(x) emergency, transitional and permanent housing assistance; ``(xi) job placement and retention training; ``(xii) summer jobs ***programs***; ``(xiii) alternative school resources for youth who have dropped out of school or demonstrate chronic truancy; ``(xiv) conflict resolution skill training; ``(xv) restorative justice ***programs***; ``(xvi) mentoring ***programs***; ``(xvii) targeted gang prevention, intervention and exit services; ``(xviii) training and education ***programs*** for pregnant teens and teen parents; and ``(xix) pre-release, post-release, and reentry services to assist detained and incarcerated youth with transitioning back into and reentering the community; and ``(K) other data-driven evidence-based or promising prevention ***programs***; ``(4) the term `local policy board', when used with respect to an eligible entity, means a policy board that the eligible entity will engage in the development of the eligible entity's plan described in section 504(e)(5), and that includes-- ``(A) not fewer than 15 and not more than 21 members; and ``(B) a balanced representation of-- ``(i) public agencies and private nonprofit organizations serving juveniles and their families; and ``(ii) business and industry; ``(C) at least one representative of the faith community, one adjudicated youth, and one parent of an adjudicated youth; and ``(D) in the case of an eligible entity described in paragraph (1)(B), a representative of the nonprofit organization of the eligible entity; ``(5) the term `mentoring' means matching 1 adult with 1 or more youths for the purpose of providing guidance, support, and encouragement through regularly scheduled meetings for not less than 9 months; ``(6) the term `State advisory group' means the advisory group appointed by the chief executive officer of a State under a plan described in section 223(a); and ``(7) the term `State entity' means the State agency designated under section 223(a)(1) or the entity receiving funds under section 223(d).''. [[Page H9366]] SEC. 303. DUTIES AND FUNCTIONS OF THE ADMINISTRATOR. Section 503 of the Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 (34 U.S.C 11282) is amended-- (1) by striking paragraph (1); and (2) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively. SEC. 304. GRANTS FOR DELINQUENCY PREVENTION ***PROGRAMS***. Section 504 of the Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 (34 U.S.C 11281 et seq.) is amended to read as follows: ``SEC. 504. GRANTS FOR LOCAL DELINQUENCY PREVENTION ***PROGRAMS***. ``(a) Purpose.--The purpose of this section is to enable local communities to address the unmet needs of at-risk or delinquent youth, including through a continuum of delinquency prevention ***programs*** for juveniles who have had contact with the juvenile justice system or who are likely to have contact with the juvenile justice system. ``(b) ***Program*** Authorized.--The Administrator shall-- ``(1) for each fiscal ***year*** for which less than $25,000,000 is appropriated under section 506, award grants to not fewer than 3 State entities, but not more than 5 State entities, that apply under subsection (c) and meet the requirements of subsection (d); or ``(2) for each fiscal ***year*** for which $25,000,000 or more is appropriated under section 506, award grants to not fewer than 5 State entities that apply under subsection (c) and meet the requirements of subsection (d). ``(c) State Application.--To be eligible to receive a grant under this section, a State entity shall submit an application to the Administrator that includes the following: ``(1) An assurance the State entity will use-- ``(A) not more than 10 percent of such grant, in the aggregate-- ``(i) for the costs incurred by the State entity to carry out this section, except that not more than 3 percent of such grant may be used for such costs; and ``(ii) to provide technical assistance to eligible entities receiving a subgrant under subsection (e) in carrying out delinquency prevention ***programs*** under the subgrant; and ``(B) the remainder of such grant to award subgrants to eligible entities under subsection (e). ``(2) An assurance that such grant will supplement, and not supplant, State and local efforts to prevent juvenile delinquency. ``(3) An assurance the State entity will evaluate the capacity of eligible entities receiving a subgrant under subsection (e) to fulfill the requirements under such subsection. ``(4) An assurance that such application was prepared after consultation with, and participation by, the State advisory group, units of local government, community-based organizations, and organizations that carry out ***programs***, projects, or activities to prevent juvenile delinquency in the local juvenile justice system served by the State entity. ``(d) Approval of State Applications.--In awarding grants under this section for a fiscal ***year***, the Administrator may not award a grant to a State entity for a fiscal ***year*** unless-- ``(1)(A) the State that will be served by the State entity submitted a plan under section 223 for such fiscal ***year***; and ``(B) such plan is approved by the Administrator for such fiscal ***year***; or ``(2) after finding good cause for a waiver, the Administrator waives the plan required under subparagraph (A) for such State for such fiscal ***year***. ``(e) Subgrant ***Program***.-- ``(1) ***Program*** authorized.-- ``(A) In general.--Each State entity receiving a grant under this section shall award subgrants to eligible entities in accordance with this subsection. ``(B) Priority.--In awarding subgrants under this subsection, the State shall give priority to eligible entities that demonstrate ability in-- ``(i) plans for service and agency coordination and collaboration including the collocation of services; ``(ii) innovative ways to involve the private nonprofit and business sector in delinquency prevention activities; ``(iii) developing data-driven prevention plans, employing evidence-based prevention strategies, and conducting ***program*** evaluations to determine impact and effectiveness; ``(iv) identifying under the plan submitted under paragraph (5) potential savings and efficiencies associated with successful implementation of such plan; and ``(v) describing how such savings and efficiencies may be used to carry out delinquency prevention ***programs*** and be reinvested in the continuing implementation of such ***programs*** after the end of the subgrant period. ``(C) Subgrant ***program*** period and diversity of projects.-- ``(i) ***Program*** period.--A subgrant awarded to an eligible entity by a State entity under this section shall be for a period of not more than 5 ***years***, of which the eligible entity-- ``(I) may use not more than 18 months for completing the plan submitted by the eligible entity under paragraph (5); and ``(II) shall use the remainder of the subgrant period, after planning period described in subclause (I), for the implementation of such plan. ``(ii) Diversity of projects.--In awarding subgrants under this subsection, a State entity shall ensure, to the extent practicable and applicable, that such subgrants are distributed throughout different areas, including urban, suburban, and rural areas. ``(2) Local application.--An eligible entity that desires a subgrant under this subsection shall submit an application to the State entity in the State of the eligible entity, at such time and in such manner as determined by the State entity, and that includes-- ``(A) a description of-- ``(i) the local policy board and local partners the eligible entity will engage in the development of the plan described in paragraph (5); ``(ii) the unmet needs of at-risk or delinquent youth in the community; ``(iii) available resources in the community to meet the unmet needs identified in the needs assessment described in paragraph (5)(A); ``(iv) potential costs to the community if the unmet needs are not addressed; ``(B) a specific time period for the planning and subsequent implementation of its continuum of local delinquency prevention ***programs***; ``(C) the steps the eligible entity will take to implement the plan under subparagraph (A); and ``(D) a plan to continue the grant activity with non- Federal funds, if proven successful according to the performance evaluation process under paragraph (5)(D), after the grant period. ``(3) Matching requirement.--An eligible entity desiring a subgrant under this subsection shall agree to provide a 50 percent match of the amount of the subgrant that may include the value of in-kind contributions. ``(4) Subgrant review.-- ``(A) Review.--Not later than the end of the second ***year*** of a subgrant period for a subgrant awarded to an eligible entity under this subsection and before awarding the remaining amount of the subgrant to the eligible entity, the State entity shall-- ``(i) ensure that the eligible entity has completed the plan submitted under paragraph (2) and that the plan meets the requirements of such paragraph; and ``(ii) verify that the eligible entity will begin the implementation of its plan upon receiving the next installment of its subgrant award. ``(B) Termination.--If the State entity finds through the review conducted under subparagraph (A) that the eligible entity has not met the requirements of clause (i) of such subparagraph, the State entity shall reallocate the amount remaining on the subgrant of the eligible entity to other eligible entities receiving a subgrant under this subsection or award the amount to an eligible entity during the next subgrant competition under this subsection. ``(5) Local uses of funds.--An eligible entity that receives a subgrant under this subsection shall use the funds to implement a plan to carry out delinquency prevention ***programs*** in the community served by the eligible entity in a coordinated manner with other delinquency prevention ***programs*** or entities serving such community, which includes-- ``(A) an analysis of the unmet needs of at-risk or delinquent youth in the community-- ``(i) which shall include-- ``(I) the available resources in the community to meet the unmet needs; and ``(II) factors present in the community that may contribute to delinquency, such as homelessness, food insecurity, teen pregnancy, youth unemployment, family instability, lack of educational opportunity; and ``(ii) may include an estimate-- ``(I) for the most recent ***year*** for which reliable data is available, the amount expended by the community and other entities for delinquency adjudication for juveniles and the incarceration of adult offenders for offenses committed in such community; and ``(II) of potential savings and efficiencies that may be achieved through the implementation of the plan; ``(B) a minimum 3-***year*** comprehensive strategy to address the unmet needs and an estimate of the amount or percentage of non-Federal funds that are available to carry out the strategy; ``(C) a description of how delinquency prevention ***programs*** under the plan will be coordinated; ``(D) a description of the performance evaluation process of the delinquency prevention ***programs*** to be implemented under the plan, which shall include performance measures to assess efforts to address the unmet needs of youth in the community analyzed under subparagraph (A); ``(E) the evidence or promising evaluation on which such delinquency prevention ***programs*** are based; and ``(F) if such delinquency prevention ***programs*** are proven successful according to the performance evaluation process under subparagraph (D), a strategy to continue such ***programs*** after the subgrant period with non-Federal funds, including a description of how any estimated savings or efficiencies created by the implementation of the plan may be used to continue such ***programs***.''. SEC. 305. GRANTS FOR TRIBAL DELINQUENCY PREVENTION AND RESPONSE ***PROGRAMS***. The Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 (34 [[Page H9367]] U.S.C 11281 et seq.) is amended by redesignating section 505 as section 506, and by inserting after section 504 the following: ``SEC. 505. GRANTS FOR TRIBAL DELINQUENCY PREVENTION AND RESPONSE ***PROGRAMS***. ``(a) In General.--The Administrator shall make grants under this section, on a competitive basis, to eligible Indian Tribes (or consortia of Indian Tribes) as described in subsection (b)-- ``(1) to support and enhance-- ``(A) tribal juvenile delinquency prevention services; and ``(B) the ability of Indian Tribes to respond to, and care for, at-risk or delinquent youth upon release; and ``(2) to encourage accountability of Indian tribal governments with respect to preventing juvenile delinquency, and responding to, and caring for, juvenile offenders. ``(b) Eligible Indian Tribes.--To be eligible to receive a grant under this section, an Indian Tribe or consortium of Indian Tribes shall submit to the Administrator an application in such form as the Administrator may require. ``(c) Considerations.--In providing grants under this section, the Administrator shall take into consideration, with respect to the Indian Tribe to be served, the-- ``(1) juvenile delinquency rates; ``(2) school dropout rates; and ``(3) number of youth at risk of delinquency. ``(d) Availability of Funds.--Of the amount available for a fiscal ***year*** to carry out this title, 11 percent shall be available to carry out this section.''. SEC. 306. EVALUATION BY GOVERNMENT ACCOUNTABILITY OFFICE. (a) Evaluation.--Not later than 2 ***years*** after the end of the 5th fiscal ***year*** for which funds are appropriated to carry out the Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002, the Comptroller General of the United States shall conduct an evaluation of a sample of subgrantees selected by the Comptroller General in accordance with subsection (b)) that received funds under section 504(e) of such Act and shall submit a report of such evaluation to the Committee on the Judiciary of the United States Senate and the Committee on Education and the Workforce of the United States House of Representatives. (b) Considerations for Evaluation.--For purposes of subsection (a), the Comptroller General shall-- (1) ensure that the sample to be evaluated is made up of subgrantees in States that are diverse geographically and economically; and (2) include in such sample subgrantees that proposed different delinquency prevention ***programs***. (c) Recommendations and Findings.--In conducting the evaluation required by subsection (a), the Comptroller General shall take into consideration whether-- (1) the delinquency prevention ***programs*** for which subgrantees received funds under section 504(e) of Incentive Grants for Local Delinquency Prevention ***Programs*** Act of 2002 achieved the outcomes and results anticipated by the particular State involved; (2) in the case of outcomes and results of delinquency prevention ***programs*** defined by the State or a local entity, unanticipated improved outcomes or results for juveniles occurred; (3) the number of subgrantees that continue after the expenditure of such funds to provide such delinquency prevention ***programs***; (4) such delinquency prevention ***programs*** replaced existing or planned ***programs*** or activities in the State; and (5) the evidence-base information used to justify such delinquency prevention ***programs*** was used with fidelity by local entities in accordance with the approach used to find the evidence; SEC. 307. TECHNICAL AMENDMENT. Title V of the Juvenile Justice and Delinquency Prevention Act of 1974 as enacted by Public Law 93-415 (88 Stat. 1133) (relating to miscellaneous and conforming amendments) is repealed. TITLE IV--MISCELLANEOUS PROVISIONS SEC. 401. EVALUATION BY GOVERNMENT ACCOUNTABILITY OFFICE. (a) Evaluation.--Not later than 1 ***year*** after the date of enactment of this Act, the Comptroller General of the United States shall-- (1) conduct a comprehensive analysis and evaluation regarding the performance of the Office of Juvenile Justice and Delinquency Prevention (referred to in this section as ``the agency''), its functions, its ***programs***, and its grants; (2) conduct a comprehensive audit and evaluation of a selected, sample of grantees (as determined by the Comptroller General) that receive Federal funds under grant ***programs*** administered by the agency including a review of internal controls (as defined in section 103 of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11103), as amended by this Act) to prevent fraud, waste, and abuse of funds by grantees; and (3) submit a report in accordance with subsection (d). (b) Considerations for Evaluation.--In conducting the analysis and evaluation under subsection (a)(1), and in order to document the efficiency and public benefit of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11101 et seq.), the Comptroller General shall take into consideration-- (1) the outcome and results of the ***programs*** carried out by the agency and those ***programs*** administered through grants by the agency; (2) the extent to which the agency has complied with the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285); (3) the extent to which the jurisdiction of, and the ***programs*** administered by, the agency duplicate or conflict with the jurisdiction and ***programs*** of other agencies; (4) the potential benefits of consolidating ***programs*** administered by the agency with similar or duplicative ***programs*** of other agencies, and the potential for consolidating those ***programs***; (5) whether less restrictive or alternative methods exist to carry out the functions of the agency and whether current functions or operations are impeded or enhanced by existing statutes, rules, and procedures; (6) the number and types of beneficiaries or persons served by ***programs*** carried out by the agency; (7) the manner with which the agency seeks public input and input from State and local governments on the performance of the functions of the agency; (8) the extent to which the agency complies with section 552 of title 5, United States Code (commonly known as the Freedom of Information Act); (9) whether greater oversight is needed of ***programs*** developed with grants made by the agency; and (10) the extent to which changes are necessary in the authorizing statutes of the agency in order for the functions of the agency to be performed in a more efficient and effective manner. (c) Considerations for Audits.--In conducting the audit and evaluation under subsection (a)(2), and in order to document the efficiency and public benefit of the Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11101 et seq.), the Comptroller General shall take into consideration-- (1) whether grantees timely file Financial Status Reports; (2) whether grantees have sufficient internal controls to ensure adequate oversight of grant fund received; (3) whether disbursements were accompanied with adequate supporting documentation (including invoices and receipts); (4) whether expenditures were authorized; (5) whether subrecipients of grant funds were complying with ***program*** requirements; (6) whether salaries and fringe benefits of personnel were adequately supported by documentation; (7) whether contracts were bid in accordance with ***program*** guidelines; and (8) whether grant funds were spent in accordance with ***program*** goals and guidelines. (d) Report.-- (1) In general.--Not later than 1 ***year*** after the date of enactment of this Act, the Comptroller General of the United States shall-- (A) submit a report regarding the evaluation conducted under subsection (a) and audit under subsection (b), to the Speaker of the House of Representatives and the President pro tempore of the Senate; and (B) make the report described in subparagraph (A) available to the public. (2) Contents.--The report submitted in accordance with paragraph (1) shall include all audit findings determined by the selected, statistically significant sample of grantees as required by subsection (a)(2) and shall include the name and location of any selected grantee as well as any findings required by subsection (a)(2). SEC. 402. AUTHORIZATION OF APPROPRIATIONS; ACCOUNTABILITY AND OVERSIGHT. (a) In General.--The Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11101 et seq.) is amended by adding at the end the following: ``TITLE VI--AUTHORIZATION OF APPROPRIATIONS; ACCOUNTABILITY AND OVERSIGHT ``SEC. 601. AUTHORIZATION OF APPROPRIATIONS. ``There are authorized to be appropriated to carry out this Act, except for titles III and IV, $176,000,000 for each of fiscal ***years*** 2019 through 2023, of which not more than $96,053,401 shall be used to carry out title V for each such fiscal ***year***. ``SEC. 602. ACCOUNTABILITY AND OVERSIGHT. ``(a) Sense of Congress.--It is the sense of Congress that, in order to ensure that at-risk youth, and youth who come into contact with the juvenile justice system or the criminal justice system, are treated fairly and that the outcome of that contact is beneficial to the Nation-- ``(1) the Department of Justice, through its Office of Juvenile Justice and Delinquency Prevention, must restore meaningful enforcement of the core requirements in title II; and ``(2) States, which are entrusted with a fiscal stewardship role if they accept funds under title II must exercise vigilant oversight to ensure full compliance with the core requirements for juveniles provided for in title II. ``(b) Accountability.-- ``(1) Agency ***program*** review.-- ``(A) Programmatic and financial assessment.-- ``(i) In general.--Not later than 60 days after the date of enactment of the Juvenile Justice Reform Act of 2018, the Director of the Office of Audit, Assessment, and Management of the Office of Justice ***Programs*** at the Department of Justice (referred to in this section as the `Director') shall-- [[Page H9368]] ``(I) conduct a comprehensive analysis and evaluation of the internal controls of the Office of Juvenile Justice and Delinquency Prevention (referred to in this section as the `agency') to determine if States and Indian Tribes receiving grants are following the requirements of the agency grant ***programs*** and what remedial action the agency has taken to recover any grant funds that are expended in violation of grant ***programs***, including instances where-- ``(aa) supporting documentation was not provided for cost reports; ``(bb) unauthorized expenditures occurred; and ``(cc) subrecipients of grant funds were not in compliance with ***program*** requirements; ``(II) conduct a comprehensive audit and evaluation of a selected statistically significant sample of States and Indian Tribes (as determined by the Director) that have received Federal funds under title II, including a review of internal controls to prevent fraud, waste, and abuse of funds by grantees; and ``(III) submit a report in accordance with clause (iv). ``(ii) Considerations for evaluations.--In conducting the analysis and evaluation under clause (i)(I), and in order to document the efficiency and public benefit of titles II and V, the Director shall take into consideration the extent to which-- ``(I) greater oversight is needed of ***programs*** developed with grants made by the agency; ``(II) changes are necessary in the authorizing statutes of the agency in order that the functions of the agency can be performed in a more efficient and effective manner; and ``(III) the agency has implemented recommendations issued by the Comptroller General or Office of Inspector General relating to the grant making and grant monitoring responsibilities of the agency. ``(iii) Considerations for audits.--In conducting the audit and evaluation under clause (i)(II), and in order to document the efficiency and public benefit of titles II and V, the Director shall take into consideration-- ``(I) whether grantees timely file Financial Status Reports; ``(II) whether grantees have sufficient internal controls to ensure adequate oversight of grant funds received; ``(III) whether grantees' assertions of compliance with the core requirements were accompanied with adequate supporting documentation; ``(IV) whether expenditures were authorized; ``(V) whether subrecipients of grant funds were complying with ***program*** requirements; and ``(VI) whether grant funds were spent in accordance with the ***program*** goals and guidelines. ``(iv) Report.--The Director shall-- ``(I) submit to the Congress a report outlining the results of the analysis, evaluation, and audit conducted under clause (i), including supporting materials, to the Speaker of the House of Representatives and the President pro tempore of the Senate; and ``(II) shall make such report available to the public online, not later than 1 ***year*** after the date of enactment of this section. ``(B) Analysis of internal controls.-- ``(i) In general.--Not later than 30 days after the date of enactment of the Juvenile Justice Reform Act of 2018, the Administrator shall initiate a comprehensive analysis and evaluation of the internal controls of the agency to determine whether, and to what extent, States and Indian Tribes that receive grants under titles II and V are following the requirements of the grant ***programs*** authorized under titles II and V. ``(ii) Report.--Not later than 180 days after the date of enactment of the Juvenile Justice Reform Act of 2018, the Administrator shall submit to Congress a report containing-- ``(I) the findings of the analysis and evaluation conducted under clause (i); ``(II) a description of remedial actions, if any, that will be taken by the Administrator to enhance the internal controls of the agency and recoup funds that may have been expended in violation of law, regulations, or ***program*** requirements issued under titles II and V; and ``(III) a description of-- ``(aa) the analysis conducted under clause (i); ``(bb) whether the funds awarded under titles II and V have been used in accordance with law, regulations, ***program*** guidance, and applicable plans; and ``(cc) the extent to which funds awarded to States and Indian Tribes under titles II and V enhanced the ability of grantees to fulfill the core requirements. ``(C) Report by the attorney general.--Not later than 180 days after the date of enactment of the Juvenile Justice Reform Act of 2018, the Attorney General shall submit to the appropriate committees of the Congress a report on the estimated amount of formula grant funds disbursed by the agency since fiscal ***year*** 2010 that did not meet the requirements for awards of formula grants to States under title II. ``(2) Office of inspector general performance audits.-- ``(A) In general.--In order to ensure the effective and appropriate use of grants administered under this Act (excluding title IV) and to prevent waste, fraud, and abuse of funds by grantees, the Inspector General of the Department of Justice shall annually conduct audits of grantees that receive funds under this Act. ``(B) Assessment.--Not later than 1 ***year*** after the date of enactment of the Juvenile Justice Reform Act of 2018 and annually thereafter, the Inspector General shall conduct a risk assessment to determine the appropriate number of grantees to be audited under subparagraph (A) in the ***year*** involved. ``(C) Public availability on website.--The Attorney General shall make the summary of each review conducted under this section available on the website of the Department of Justice, subject to redaction as the Attorney General determines necessary to protect classified and other sensitive information. ``(D) Mandatory exclusion.--A recipient of grant funds under this Act (excluding title IV) that is found to have an unresolved audit finding shall not be eligible to receive grant funds under this Act (excluding title IV) during the first 2 fiscal ***years*** beginning after the 12-month period beginning on the date on which the audit report is issued. ``(E) Priority.--In awarding grants under this Act (excluding title IV), the Administrator shall give priority to a State or Indian Tribe that did not have an unresolved audit finding during the 3 fiscal ***years*** prior to the date on which the State or Indian Tribe submits an application for a grant under this Act. ``(F) Reimbursement.--If a State or an Indian Tribe is awarded a grant under this Act (excluding title IV) during the 2-fiscal-***year*** period in which the recipient is barred from receiving grants under subparagraph (D), the Attorney General shall-- ``(i) deposit an amount equal to the amount of the grant funds that were improperly awarded to the grantee into the general fund of the Treasury; and ``(ii) seek to recoup the costs of the repayment to the general fund under clause (i) from the grantee that was erroneously awarded grant funds. ``(G) Definition.--In this paragraph, the term `unresolved audit finding' means a finding in the final audit report of the Inspector General-- ``(i) that the audited State or Indian Tribe has used grant funds for an unauthorized expenditure or otherwise unallowable cost; and ``(ii) that is not closed or resolved during the 12-month period beginning on the date on which the final audit report is issued. ``(3) Nonprofit organization requirements.-- ``(A) Definition.--For purposes of this paragraph and the grant ***programs*** described in this Act (excluding title IV), the term `nonprofit organization' means an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and is exempt from taxation under section 501(a) of such Code. ``(B) Prohibition.--The Administrator may not award a grant under any grant ***program*** described in this Act (excluding title IV) to a nonprofit organization that holds money in offshore accounts for the purpose of avoiding paying the tax described in section 511(a) of the Internal Revenue Code of 1986. ``(C) Disclosure.-- ``(i) In general.--Each nonprofit organization that is awarded a grant under a grant ***program*** described in this Act (excluding title IV) and uses the procedures prescribed in regulations to create a rebuttable presumption of reasonableness for the compensation of its officers, directors, trustees, and key employees, shall disclose to the Administrator, in the application for the grant, the process for determining such compensation, including-- ``(I) the independent persons involved in reviewing and approving such compensation; ``(II) the comparability data used; and ``(III) contemporaneous substantiation of the deliberation and decision. ``(ii) Public inspection upon request.--Upon request, the Administrator shall make the information disclosed under clause (i) available for public inspection. ``(4) Conference expenditures.-- ``(A) Limitation.--No amounts authorized to be appropriated to the Department of Justice under this Act may be used by the Attorney General, or by any individual or organization awarded discretionary funds through a cooperative agreement under this Act, to host or support any expenditure for conferences that uses more than $20,000 in funds made available to the Department of Justice, unless the Deputy Attorney General or such Assistant Attorney Generals, Directors, or principal deputies as the Deputy Attorney General may designate, provides prior written authorization that the funds may be expended to host a conference. ``(B) Written approval.--Written approval under subparagraph (A) shall include a written estimate of all costs associated with the conference, including the cost of all food and beverages, audiovisual equipment, honoraria for speakers, and entertainment. ``(C) Report.--The Deputy Attorney General shall submit an annual report to the Committee on the Judiciary of the Senate and the Committee on Education and the Workforce of the House of Representatives on all conference expenditures approved under this paragraph. ``(5) Prohibition on lobbying activity.-- ``(A) In general.--Amounts authorized to be appropriated under this Act may not be utilized by any recipient of a grant made using such amounts-- [[Page H9369]] ``(i) to lobby any representative of the Department of Justice regarding the award of grant funding; or ``(ii) to lobby any representative of a Federal, State, local, or tribal government regarding the award of grant funding. ``(B) Penalty.--If the Attorney General determines that any recipient of a grant made using amounts authorized to be appropriated under this Act has violated subparagraph (A), the Attorney General shall-- ``(i) require the recipient to repay the grant in full; and ``(ii) prohibit the recipient to receive another grant under this Act for not less than 5 ***years***. ``(C) Clarification.--For purposes of this paragraph, submitting an application for a grant under this Act shall not be considered lobbying activity in violation of subparagraph (A). ``(6) Annual certification.--Beginning in the 1st fiscal ***year*** that begins after the effective date of this section, the Attorney General shall submit to the Committee on the Judiciary and the Committee on Appropriations of the Senate, and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives, an annual certification that-- ``(A) all audits issued by the Inspector General of the Department of Justice under paragraph (2) have been completed and reviewed by the appropriate Assistant Attorney General or Director; ``(B) all mandatory exclusions required under paragraph (2)(D) have been issued; ``(C) all reimbursements required under paragraph (2)(F)(i) have been made; and ``(D) includes a list of any grant recipients excluded under paragraph (2) during the then preceding fiscal ***year***. ``(c) Preventing Duplicative Grants.-- ``(1) In general.--Before the Attorney General awards a grant to an applicant under this Act, the Attorney General shall compare potential grant awards with other grants awarded under this Act to determine if duplicate grant awards are awarded for the same purpose. ``(2) Report.--If the Attorney General awards duplicate grants to the same applicant for the same purpose the Attorney General shall submit to the Committee on the Judiciary of the Senate and the Committee on Education and the Workforce of the House of Representatives a report that includes-- ``(A) a list of all duplicate grants awarded, including the total dollar amount of any duplicate grants awarded; and ``(B) the reason the Attorney General awarded the duplicative grant. ``(d) Compliance With Auditing Standards.--The Administrator shall comply with the Generally Accepted Government Auditing Standards, published by the General Accountability Office (commonly known as the `Yellow Book'), in the conduct of fiscal, compliance, and programmatic audits of States.''. (b) Technical and Conforming Amendments.--The Juvenile Justice and Delinquency Prevention Act of 1974 (34 U.S.C 11101 et seq.) is amended by striking-- (1) section 299 (34 U.S.C 11171); and (2) section 505. The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**Load-Date:** October 31, 2018

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