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OMNIBUS BUDGET RECONCILIATION ACT OF 1981

CONFERENCE REPORT

[To accompany H.R. 3982]

JULY 29, 1981.—Ordered to be printed

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Mr. JONES of Oklahoma, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 3982]

TITLE XXVI—LOW-INCOME HOME ENERGY ASSISTANCE

SHORT TITLE

SEC. 2601. This title may be cited as the "Low-Income Home Energy Assistance Act of 1981".

HOME ENERGY GRANTS AUTHORIZED

SEC. 2602. (a) The Secretary of Health and Human Services is authorized to make grants, in accordance with the provisions of this title, to States to assist eligible households to meet the costs of home energy.

(b) There is authorized to be appropriated to carry out the purposes of this title $1,875,000,000 for each of the fiscal years 1982, 1983, and 1984.

DEFINITIONS

SEC. 2603. As used in this title:

(1) The term "energy crisis intervention" means weather-related and supply shortage emergencies.

(2)(A) The term "household" means all individuals who occupy a housing unit.

(B) For purposes of subparagraph (A), 1 or more rooms shall be treated as a housing unit when occupied as a separate living quarters.

(3) The term "home energy" means a source of heating or cooling in residential dwellings.

(4) The term "poverty level" means, with respect to a household in any State, the income poverty guidelines for the nonfarm population of the United States as prescribed by the Office of Management and Budget (and as adjusted annually pursuant to section 673(2) of this Act) as applicable to such State.

(5) The term "Secretary" means. the Secretary of Health and Human Services.

(6) The term "State" means each of the several States and the District of Columbia.

(7) The term "State median income" means the State median income promulgated by the Secretary in accordance with procedures established under section 2002(a)(6) of the Social Security Act (as such procedures were in effect on the day before the date of the enactment of this Act) and adjusted, in accordance with regulations prescribed by the Secretary, to take into account the number of individuals in the household.

STATE ALLOTMENTS

SEC. 2604. (a)(1)(A) Except as provided in subparagraph (B), the Secretary shall, from that percentage of the amount appropriated under section 2602(b) for each fiscal year which is remaining after the amount of allotments for such fiscal year under subsection (b)(1) is determined by the Secretary, allot to each State an amount equal to such remaining percentage multiplied by the State's allotment percentage.

(B) From the sums appropriated therefor, if for any period a State has a plan which is described in section 2605(c)(1), the Secretary shall pay to such State an amount equal to 100 percent of the expenditures of such State made during such period in carrying out such plan, including administrative costs (subject to the provisions of section 2605(b)(9)(B)), with respect to households described in section 2605(b)(2).

(2)(A) For purposes of paragraph (1), a State's allotment percentage is the percentage which the amount the State was eligible to receive for fiscal year 1981 under the allotment formulas of the Home Energy Assistance Act of 1980 bears to the total amount available for allotment under such formulas.

(B) For purposes of subparagraph (A), the allotment formulas of the Home Energy Assistance Act of 1980 shall be treated as including the rules provided by, and the rules referred to in, section 101(j) of the Joint Resolution entitled "A Joint Resolution making further continuing appropriations for the fiscal year 1981, and for other purposes", approved December 16, 1980 (Public Law 96-536; 94 Stat. 3168), except that such allotment formulas shall not include the reallotment procedures established in section 260.108 of title 45, Code of Federal Regulations (relating to reallotment of funds under the low-income energy assistance program).

(3) If the sums appropriated for any fiscal year for making grants under this title are not sufficient to pay in full the total amount

allocated to a State under paragraph (1) for such fiscal year, the amount which all States will receive under this title for such fiscal year shall be ratably reduced.

(b)(1) The Secretary shall apportion not less than one-tenth of 1 percent, and not more than one-half of 1 percent, of the amounts appropriated for each fiscal year to carry out this title on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Secretary shall determine the total amount to be apportioned under this paragraph for any fiscal year (which shall not exceed one-half of 1 percent) after evaluating the extent to which each jurisdiction specified in the preceding sentence requires assistance under this paragraph for the fiscal year involved.

(2) Each jurisdiction to which paragraph (1) applies may receive grants under this title upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this title, and which are consistent with the requirements of section 2605.

(c) Of the funds available to each State under subsection (a), a reasonable amount based on data from prior years shall be reserved by each State for energy crisis intervention.

(d)(1) If, with respect to any State, the Secretary—

(A) receives a request from the governing organization of an Indian tribe within the State that assistance under this title be made directly to such organizations; and

(B) determines that the members of such tribe would be better served by means of grants made directly to provide benefits under this title;

the Secretary shall reserve from amounts which would otherwise be paid to such State from amounts allotted to it under this title for the fiscal year involved the amount determined under paragraph (2).

(2) The amount determined under this paragraph for a fiscal year is the amount which bears the same ratio to the amount which would (but for this subsection) be allotted to such State under this title for such fiscal year (other than by reason of section 2607(b)(2)) as the number of Indian households described in subparagraphs (A) and (B) of section 2605(b)(2) in such State with respect to which a determination under this subsection is made bears to the number of all households described in subparagraphs (A) and (B) of section 2605(b)(2) in such State.

(3) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to—

(A) the tribal organization serving the individuals for whom such a determination has been made; or

(B) in any case where there is no tribal organization serving an individual for whom such a determination has been made, such other entity as the Secretary determines has the capacity to provide assistance pursuant to this title.

(4) In order for a tribal organization or other entity to be eligible for an amount under this subsection for a fiscal year, it shall submit to the Secretary a plan (in lieu of being under the State's plan) for such fiscal year which meets such criteria as the Secretary may by regulations prescribe.

(e) At the option of a State, any portion of such State's allotment under this title may be reserved by the Secretary for the purpose of making direct payments to households described in section 2605(b)(2)(A)(ii) (taking into account the application of section 2605(i)), for low-income energy assistance in accordance with guidelines issued by the Secretary.

(f) A State may transfer up to 10 percent of its allotment under this section for any fiscal year for its use for such fiscal year under other provisions of Federal law providing block grants for—

(1) support of activities under subtitle B of title VI (relating to community services block grant program);

(2) support of activities under title XX of the Social Security Act; or

(3) support of preventive health services, alcohol, drug, and mental health services, and primary care under title XIX of the Public Health Service Act, and maternal and child health services under title V of the Social Security Act;

or any combination of the activities described in paragraphs (1), (2), and (3). Amounts allotted to a State under any provisions of Federal law referred to in the preceding sentence and transferred by a State for use in carrying out the purposes of this title shall be treated as if they were paid to the State under this title but shall not affect the computation of the State's allotment under this title. The State shall inform the Secretary of any such transfer of funds.

APPLICATIONS AND REQUIREMENTS

SEC. 2605. (a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

(2) After the expiration of the first fiscal year for which a State receives funds under this title, no funds shall be allotted to such State for any fiscal year under this title unless such State conducts public hearings with respect to the proposed use and distribution of funds to be provided under this title for such fiscal year.

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to—

(1) use the funds available under this title for the purposes described in section 2602(a) and otherwise in accordance with the requirements of this title, and agrees not to use such funds for any payments other than payments specified in this subsection;

(2) make payments under this title only with respect to—

(A) households in which 1 or more individuals are receiving—

(i) aid to families with dependent children under the State's plan approved under part A of title IV of the Social Security Act (other than such aid in the form of foster care in accordance with section 408 of such Act);

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or handicapped individuals, or both, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a manner consistent with the efficient and timely payment of benefits, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did

receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to—

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated any differently because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) assure that any home energy supplier receiving direct payments agrees not to discriminate, either in the cost of the goods supplied or the services provided, against the eligible household on whose behalf payments are made;

(8) provide assurances that the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that—

(A) in each fiscal year, the State may use for planning and administering the use of funds available under this title an amount not to exceed 10 percent of its allotment under this title for such fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining costs;

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that at least every year the State shall prepare an audit of its expenditures of amounts received under this title and amounts transferred to carry out the purposes of this title;

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for public participation in the development of the plan described in subsection (c); and

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness.

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.

(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary a plan which contains provisions describing how the State will carry out the assurances contained in subsection (b). The

chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

(2) Each plan prepared under paragraph (1) shall be made available for public inspection within the State involved in such a manner as will facilitate review of, and comment upon, such plan.

(d) Whenever the Secretary determines that a waiver of any requirement in subsection (b) is necessary to assist in promoting the objectives of this title, the Secretary may waive such requirement to the extent and for the period the Secretary finds necessary to enable the State involved to carry out the program under the plan.

(e) Each audit required by subsection (b)(10) shall be conducted by an entity independent of any agency administering activities or services carried out under this title and shall be conducted in accordance with generally accepted accounting principles. Within 30 days after the completion of each audit, the chief executive officer of the State shall submit a copy of such audit to the legislature of the State and to the Secretary.

(f) Notwithstanding any other provision of law, the amount of any home energy assistance payments or allowances provided to an eligible household under this title shall not be considered income or resources of such household (or any member thereof) for any purpose under any Federal or State law, including any law relating to taxation, food stamps, public assistance, or welfare programs.

(g) The State shall repay to the United States amounts found not to have been expended in accordance with this title or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title.

(h) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this title in order to assure that expenditures are consistent with the provisions of this title and to determine the effectiveness of the State in accomplishing the purposes of this title.

(i) A household which is described in subsection (b)(2)(A) solely by reason of clause (ii) thereof shall not be treated as a household described in subsection (b)(2) if the eligibility of the household is dependent upon—

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments under title XIX of the Social Security Act with respect to such individual;

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of the Social Security Act applies; or

(3) a child described in section 1614(f)(2) of the Social Security Act who is living together with a parent, or the spouse of a parent, of the child.

(j) In verifying income eligibility for purposes of subsection (b)(2)(B), the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under subtitle B of title VI of this Act (relating to community services block grant program), under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the

date of the enactment of this Act, or under other income assistance or service programs (as determined by the State).

(k) Not more than 15 percent of the greater of—

(1) the funds allotted to a State under this title for any fiscal year; or

(2) the funds available to such State under this title for such fiscal year;

may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households.

(l)(1) Any State may use amounts provided under this title for the purpose of providing credits against State tax to energy suppliers who supply home energy at reduced rates to low-income households.

(2) Any such credit provided by a State shall not exceed the amount of the loss of revenue to such supplier on account of such reduced rate.

(3) Any certification for such tax credits shall be made by the State, but such State may use Federal data available to such State with respect to recipients of supplemental security income benefits if timely delivery of benefits to households described in subsection (b) and suppliers will not be impeded by the use of such data.

NONDISCRIMINATION PROVISIONS

SEC. 2606. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 also shall apply to any such program or activity.

(b) Whenever the Secretary determines that a State that has received a payment under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

PAYMENTS TO STATES

SEC. 2607. (a) From its allotment under section 2604, the Secretary shall make payments to each State in accordance with section 203

of the Intergovernmental Cooperation Act of 1968, for use under this title.

(b)(1) If—

(A) the Secretary determines that, as of September 1 of any fiscal year, an amount allotted to a State under section 2604 for any fiscal year will not be used by such State during such fiscal year;

(B) the Secretary—

(i) notifies the chief executive officer of such State; and

(ii) publishes a timely notice in the Federal Register;

that, after the 30-day period beginning on the date of the notice to such chief executive officer, such amount may be reallotted; and

(C) the State does not request, under paragraph (2), that such amount be held available for such State for the following fiscal year;

then such amount shall be treated by the Secretary for purposes of this title as an amount appropriated for the following fiscal year to be allotted under section 2604 for such following fiscal year.

(2)(A) Any State may request that an amount allotted to such State for a fiscal year be held available for such State for the following fiscal year. Any amount so held available for the following fiscal year shall not be taken into account in computing the allotment of such State for such fiscal year under this title.

(B) No amount may be held available under this paragraph for a State from a prior fiscal year to the extent such amount exceeds 25 percent of the amount allotted to such State for such prior fiscal year. For purposes of the preceding sentence, the amount allotted to a State for a fiscal year shall be determined without regard to any amount held available under this paragraph for such State for such fiscal year from the prior fiscal year.

(3) During the 30-day period described in paragraph (1)(B), comments may be submitted to the Secretary. After considering such comments, the Secretary shall notify the chief executive officer of the State of any decision to reallot funds, and shall publish such decision in the Federal Register.

WITHHOLDING

SEC. 2608. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not utilize its allotment substantially in accordance with the provisions of this title and the assurances such State provided under section 2605.

(2) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this title or the assurances provided by the State under section 2605. For purposes of this paragraph, a violation of any one of the assurances contained in section 2605(b) that constitutes a disregard of such assurance shall be considered a serious complaint.

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this title in order to evaluate compliance with the provisions of this title.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, he shall conduct an investigation of the use of funds received under this title by such State in order to ensure compliance with the provisions of this title.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this title by a State in order to ensure compliance with the provisions of this title.

(c) Pursuant to an investigation conducted under subsection (b), a State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or require that any information be compiled, collected, or transmitted in any new form not already available.

LIMITATION ON USE OF GRANTS FOR CONSTRUCTION

SEC. 2609. Grants made under this title may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this title, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

STUDIES

SEC. 2610. (a) The Secretary, after consultation with the Secretary of Energy, shall provide for the collection of data, including—

(1) information concerning home energy consumption;

(2) the cost and type of fuels used;

(3) the type of fuel used by various income groups;

(4) the number and income levels of households assisted by this title; and

(5) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this title.

(b) The Secretary shall submit an annual report to the Congress containing a summary of data collected under subsection (a).

REPEALER

SEC. 2611. Effective October 1, 1981, the Home Energy Assistance Act of 1980 is repealed.

TITLE XXVII—NATIONAL HEALTH SERVICE CORPS; HEALTH PROFESSIONS EDUCATION; NURSE TRAINING

REFERENCE

SEC. 2700. Except as otherwise specifically 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, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

CHAPTER 1—NATIONAL HEALTH SERVICE CORPS

REVISION AND EXTENSION OF NATIONAL HEALTH SERVICE CORPS

SEC. 2701. (a) Section 331(a)(1) (42 U.S.C. 254d(a)(1)) is amended to read as follows: "(1) shall consist of—

"(A) such officers of the Regular and Reserve Corps of the Service as the Secretary may designate,

"(B) such civilian employees of the United States as the Secretary may appoint, and

"(C) such other individuals who are not employees of the United States,

(such officers, employees, and individuals hereinafter in this subpart referred to as 'Corps members'), and".

(b) Section 331(b) is amended by striking out "shall" and inserting in lieu thereof "may".

(c) The first sentence of section 331(c) is amended by inserting "(including individuals considering entering into a written agreement pursuant to section 338C)" after "positions in the Corps".

(d)(1) Section 331(d)(1) is amended by inserting after "each member of the Corps" the following: "(other than a member described in subsection (a)(1)(C))".

(2) Section 331(d)(1)(A) is amended by striking out "shall" and inserting in lieu thereof "may".

(3) Section 331(d)(1)(B) is amended by striking out "shall" and inserting in lieu thereof "may".

(4) Section 331(d) is further amended by adding at the end the following:

"(3) A member of the Corps described in subparagraph (C) of subsection (a)(1) shall when assigned to an entity under section 333 be subject to the personnel system of such entity, except that such member shall receive during the period of assignment the income that the member would receive if the member was a member of the Corps described in subparagraph (B) of such subsection.".

(e) Section 331(g) is amended to read as follows:

"(g)(1) The Secretary shall, by rule, prescribe conversion provisions applicable to any individual who, within a year after completion of service as a member of the Corps described in subsection (a)(1)(C), becomes a commissioned officer in the Regular or Reserve Corps of the Service.

"(2) The rules prescribed under paragraph (1) shall provide that in applying the appropriate provisions of this Act which relate to retirement, any individual who becomes such an officer shall be entitled to have credit for any period of service as a member of the Corps described in subsection (a)(1)(C).".

(f)(1) Section 331(h)(1) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Section 331(h)(2) is amended by striking out "section 751" and inserting in lieu thereof "section 338A".

(3) Section 331(h)(3) is amended by inserting "Commonwealth of the" before "Northern Mariana Islands".

DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 2702. (a) Section 332(a)(1)(A) (42 U.S.C. 254e(a)(1)) is amended by inserting before the comma at the end thereof "and which is not reasonably accessible to an adequately served area".

(b) Section 332(h) is amended by striking out "shall" and inserting in lieu thereof "may".

(c) Effective October 1, 1981, the Secretary of Health and Human Services shall—

(1) evaluate the criteria used under section 332(b) of the Public Health Service Act to determine if the use of the criteria has resulted in areas which do not have a shortage of health professions personnel being designated as health manpower shortage areas; and

(2) consider different criteria (including the actual use of health professions personnel in an area by the residents of an area taking into account their health status and indicators of an unmet demand and the likelihood that such demand would not be met in two years) which may be used to designate health manpower shortage areas.

Not later than November 30, 1982, the Secretary shall report to the Congress the results of the activities undertaken under this subsection.

(c) Section 332(e) is amended by inserting "(1)" before "Prior" and by adding at the end thereof the following:

"(2) Prior to the designation of a health manpower shortage area under this section, the Secretary shall, to the extent practicable, give written notice of the proposed designation of such area to appropriate public or private nonprofit entities which are located or have a demonstrated interest in such area and request comments from such entities with respect to the proposed designation of such area.".

ASSIGNMENT OF CORPS PERSONNEL

SEC. 2703. (a) Section 333(a)(1)(D) (42 U.S.C. 254f(a)(1)(D) is amended—

(1) by striking out beginning with "in the case of" through "which has expired,";

(2) by striking out "continued need" in clause (i) and inserting in lieu thereof "need and demand";

(3) by inserting "intended" before "use of Corps members" in clause (i);

(4) by striking out "previously" before "assigned to the area" in clause (i) and inserting in lieu thereof "to be";

(5) by striking out "fiscal management by the entity with respect to Corps members previously assigned" in clause (i) and inserting in lieu thereof "the fiscal management capability of the entity to which Corps members would be assigned";

(6) by striking out "continued need" in clause (ii)(I) and inserting in lieu thereof "need and demand";

(7) by striking out "has been" in clause (ii)(II) and inserting in lieu thereof "will be";

(8) by striking out "previously" in clause (ii)(II);

(9) by striking out "continued" in clause (ii)(IV) and inserting in lieu thereof "unsuccessful";

(10) by striking out "has been" in clause (ii)(V) and inserting in lieu thereof "is a reasonable prospect of"; and

(11) by striking out "previously" in clause (ii)(V).

(b)(1) Paragraph (1) of subsection (a) of section 333 is amended by adding after and below subparagraph (D) the following: "An application for assignment of a Corps member to a health manpower shortage area shall include a demonstration by the applicant that the area or population group to be served by the applicant has a shortage of personal health services and that the Corps member will be located so that the member will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under section 332(b) and on additional criteria which the Secretary shall prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services.".

(2) Subsection (a) of section 333 is amended by adding at the end the following:

"(3) In approving applications for assignment of members of the Corps the Secretary shall not discriminate against applications from entities which are not receiving Federal financial assistance under this Act.".

(c) Section 333(c) is amended by striking out paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3),respectively.

(d) Effective October 1, 1981, section 333 is amended by redesignating subsections (d) through (h) as subsections (e) through (i), respectively, and by adding after subsection (c) the following new subsection:

"(d)(1) The Secretary may not approve an application for the assignment of a member of the Corps described in subparagraph (C) of section 331(a)(1) to an entity unless the application of the entity contains assurances satisfactory to the Secretary that the entity (A) has sufficient financial resources to provide the member of the Corps with an income of not less than the income to which the member would be entitled if the member was a member described in subparagraph (B) of section 331(a)(1), or (B) would have such financial resources if a grant was made to the entity under paragraph (2).

"(2)(A) If in approving an application of an entity for the assignment of a member of the Corps described in subparagraph (C) of section 331(a)(1) the Secretary determines that the entity does not have sufficient financial resources to provide the member of the Corps with an income of not less than the income to which the member would be entitled if the member was a member described in subparagraph (B) of section 331(a)(1), the Secretary may make a grant to the entity to assure that the member of the Corps assigned to it will receive during the period of assignment to the entity such an income.

"(B) The amount of any grant under subparagraph (A) shall be determined by the Secretary. Payments under such a grant may be made in advance or by way of reimbursement, and at such intervals

and on such conditions, as the Secretary finds necessary. No grant may be made unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.".

(e)(1) Section 333(g)(1) (as redesignated by subsection (d) of this section) is amended

(A) by striking out "shall" and inserting in lieu thereof "may";

(B) by striking out "or have a demonstrated interest"; and

(C) by adding at the end thereof the following: "Assistance provided under this paragraph may include assistance to an entity in (A) analyzing the potential use of health professions personnel in defined health services delivery areas by the residents of such areas, (B) determining the need for such personnel in such areas, (C) determining the extent to which such areas will have a financial base to support the practice of such personnel and the extent to which additional financial resources are needed to adequately support the practice, and (D) determining the types of inpatient and other health services that should be provided by such personnel in such areas.".

(2) Section 333(g)(2) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may" and by striking out "or have a demonstrated interest".

(3) Section 333(g)(3) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may".

(4) Section 333(g) (as redesignated by subsection (d) of this section) is further amended by adding at the end the following:

"(4)(A) The Secretary shall undertake to demonstrate the improvements that can be made in the assignment of members of the Corps to health manpower shortage areas and in the delivery of health care by Corps members in such areas through coordination with States, political subdivisions of States, agencies of States and political subdivisions, and other public and nonprofit private entities which have expertise in the planning, development, and operation of centers for the delivery of primary health care. In carrying out this subparagraph, the Secretary shall enter into agreements with qualified entities which provide that if—

"(i) the entity places in effect a program for the planning, development, and operation of centers for the delivery of primary health care in health manpower shortage areas which reasonably addresses the need for such care in such areas, and

"(ii) under the program the entity will perform the functions described in subparagraph (B),

the Secretary will assign under this section members of the Corps in accordance with the program.

"(B) For purposes of subparagraph (A), the term 'qualified entity' means a State, political subdivision of a State, an agency of a State or political subdivision, or other public or nonprofit private entity operating solely within one State, which the Secretary determines is able—

"(i) to analyze the potential use of health professions personnel in defined health services delivery areas by the residents of such areas;

"(ii) to determine the need for such personnel in such areas and to recruit, select, and retain health professions personnel (including members of the National Health Service Corps) to meet such need;

"(iii) to determine the extent to which such areas will have a financial base to support the practice of such personnel and the extent to which additional financial resources are needed to adequately support the practice;

"(iv) to determine the types of inpatient and other health services that should be provided by such personnel in such areas;

"(v) to assist such personnel in the development of their clinical practice and fee schedules and in the management of their practice;

"(vi) to assist in the planning and development of facilities for the delivery of primary health care; and

"(vii) to assist in establishing the governing bodies of centers for the delivery of such care and to assist such bodies in defining and carrying out their responsibilities.".

(f) Section 333(h) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may".

(g) Section 333(i) (as redesignated by subsection (d) of this section) is amended by striking out "or dentistry" and inserting in lieu thereof "dentistry, or any other health profession".

COST SHARING

SEC. 2704. (a)(1) Section 334(a) (42 U.S.C. 254g(a)) is amended by inserting "for the assignment of a member of the Corps" after "section 333"

(2) Subparagraphs (A) and (B) of section 334(a)(3) are amended to read as follows:

"(A) an amount calculated by the Secretary to reflect the average salary (including amounts paid in accordance with section 331(d)) and allowances of comparable Corps members for a calendar quarter (or other period);

"(B) that portion of an amount calculated by the Secretary to reflect the average amount paid under the Scholarship Program to or on behalf of comparable Corps members that bears the same ratio to the calculated amount as the number of days of service provided by the member during that quarter (or other period) bears to the number of days in his period of obligated service under the Program; and".

(3) Section 334(a)(3)(C) is amended (A) by inserting "or a grant under section 333(d)(2)" after "section 335(c)", and (B) by inserting "or grant" after "such loan" each time it occurs.

(4) Section 334(b) is amended by adding at the end the following:

"(4) In determining whether to grant a waiver under paragraph (1) or (2), the Secretary shall not discriminate against a public entity.".

(b) Section 334(e) is amended by striking out "this subpart" and inserting in lieu thereof "sections 331 through 335 and section 337".

PROVISION OF HEALTH SERVICES BY CORPS MEMBERS

SEC. 2705. (a) Clause (2) of section 335(a) (42 U.S.C. 254h(a)) is amended to read as follows: "(2) in a manner which is cooperative with other health care providers serving such health manpower shortage area.".

(b) The first sentence of section 335(c) is amended—

(1) by inserting "and" before "(3)"; and

(2) by striking out "; and (4) establishing appropriate continuing education programs".

PREPARATION FOR PRACTICE

SEC. 2706. (a) Section 336 (42 U.S.C. 254i) is redesignated as section 336A.

(b) Subpart II of part D of title III is amended by inserting after section 335 (42 U.S.C. 254h) the following new section:

"PREPARATION FOR PRACTICE

"SEC. 336. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit entities for the conduct of programs which are designed to prepare individuals subject to a service obligation under the National Health Service Corps scholarship program to effectively provide health services in the health manpower shortage area to which they are assigned.

"(b) No grant may be made or contract entered into under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.".

NATIONAL ADVISORY COUNCIL

SEC. 2707. (a) Section 337(a) (42 U.S.C. 254j) is amended to read as follows:

"(a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of not more than 15 members appointed by the Secretary. The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this subpart."

(b) The last sentence of section 337(b)(1) is amended by inserting "not" before "be reappointed".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2708. (a) Section 338(a) (42 U.S.C. 254k) is amended—

(1) by striking out "and" after "1979;"; and

(2) by inserting before the period a semicolon and the following: "$110,000,000 for the fiscal year ending September 30, 1982; $120,000,000 for the fiscal year ending September 30, 1983; and $130,000,000 for the fiscal year ending September 30, 1984".

(b) Section 338(b) is amended by striking out "this subpart" and inserting in lieu thereof "sections 331 through 335, section 336A, and section 337".

NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

SEC. 2709. (a) Sections 751, 752, 753, 754, 755, 756, and 757 (42 U.S.C. 294t-294y-1) are redesignated as sections 338A, 338B, 338C, 338D, 338E, 338F, and 338G, respectively.

(b)(1) Section 338A(a) (as redesignated by subsection (a) of this section) is amended by inserting "clinical psychologists," after "pharmacists,".

(2) Section 338A(c)(1) (as redesignated by subsection (a) of this section) is amended by striking out "section 754" and inserting in lieu thereof "section 338D".

(3) Section 338A(c)(2) (as redesignated by subsection (a) of this subsection) is amended by inserting "information respecting meeting a service obligation through private practice under an agreement under section 338C and" after "(2)".

(4) Section 338A(f)(1)(A)(ii) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and section 337".

(5) Section 338A(f)(2) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and sections 337 and 338".

(6) Section 338A(f)(3) (as redesignated by subsection (a) of this section) is amended by striking out "section 754" and inserting in lieu thereof "section 338D".

(7) Subsection (j) of section 338A (as redesignated by subsection (a) of this section) is repealed.

(c)(1) Section 338B(a) (as redesignated by subsection (a) of this section) is amended—

(A) by striking out "section 753" and inserting in lieu thereof "section 338C"; and

(B) by striking out "section 751" and inserting in lieu thereof "section 338A".

(2) Paragraphs (1) through (4) of section 338B(b) (as redesignated by subsection (a) of this section) are amended to read as follows:

"(b)(1) If an individual is required under subsection (a) to provide service as specified in section 338A(f)(1)(B)(iv) (hereinafter in this subsection referred to as 'obligated service'), the Secretary shall, not later than ninety days before the date described in paragraph (5), determine if the individual shall provide such service—

"(A) as a member of the Corps who is a commissioned officer in the Regular or Reserve Corps of the Service or who is a civilian employee of the United States, or

"(B) as a member of the Corps who is not such an officer or employee,

and shall notify such individual of such determination.

"(2) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is a commissioned officer in the Service or a civilian employee of the United States, the Secretary shall, not later than sixty days before the date described

in paragraph (5), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide obligated service as a commissioned officer in the Service, an individual shall notify the Secretary, not later than thirty days before the date described in paragraph (5), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint the individual as a commissioned officer of the Regular or Reserve Corps of the Service and shall designate the individual as a member of the Corps.

"(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Service, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint such individual as a civilian employee of the United States and designate the individual as a member of the Corps.

"(4) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is not an employee of the United States, the Secretary shall, as soon as possible after the date described in paragraph (5), designate such individual as a member of the Corps to provide such service.".

(3) Section 338B(c)(1) (as redesignated by subsection (a) of this section) is amended by striking out "or as a member of the Corps" and inserting in lieu thereof "or is designated as a member of the Corps under subsection (b)(3) or (b)(4)".

(4) Section 338B(c)(2) (as redesignated by subsection (a) of this section) is amended by striking out "section 753" and inserting in lieu thereof "section 338C".

(5)(A) The first sentence of section 338B(d) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and sections 337 and 338".

(B) The second sentence of such section is amended by inserting after "written contract" the following: "and if such individual is an officer in the Service or a civilian employee of the United States".

(6) Section 338B(e) (as redesignated by subsection (a) of this section) is amended to read as follows:

"(e) Notwithstanding any other provision of this title, service of an individual under a National Research Service Award awarded under subparagraph (A) or (B) of section 472(a)(1) shall be counted against the period of obligated service which the individual is required to perform under the Scholarship Program.".

(d)(1) Section 338C(a) (as redesignated by subsection (a) of this section) is amended—

(A) by inserting a comma and "to the extent permitted by, and consistent with, the requirements of applicable State law," after "shall";

(B) by striking out "section 752(a)" and inserting in lieu thereof "section 338B(a) or under section 225 (as in effect on September 30, 1977); and

(C) by striking out "which has a priority for the assignment of Corps members under section 333(c)" in paragraph (2).

(2) Section 338C(b)(1)(B) (as redesignated by subsection (a) of this subsection) is amended (A) by inserting "(i)" before "shall not", and (B) by inserting before the semicolon a comma and the following: "and (ii) shall agree to accept an assignment under section 1842(b)(3)(B)(ii) of such Act for all services for which payment may be made under part B of title XVIII of such Act and enter into an appropriate agreement with the State agency which administers the State plan for medical assistance under title XIX of such Act to provide services to individuals entitled to medical assistance under the plan".

(3) Section 338C (as redesignated by subsection (a) of this section) is further amended by adding at the end thereof the following new subsections:

"(c) If an individual breaches the contract entered into under section 338A by failing (for any reason) to begin his service obligation in accordance with an agreement entered into under subsection (a) or to complete such service obligation, the Secretary may permit such individual to perform such service obligation as a member of the Corps.

"(d) The Secretary may pay an individual who has entered into an agreement with the Secretary under subsection (a) an amount to cover all or part of the individual's expenses reasonably incurred in transporting himself, his family, and his possessions to the location of his private clinical practice.

"(e)(1) The Secretary may make such arrangements as he determines are necessary for the individual for the use of equipment and supplies and for the lease or acquisition of other equipment and supplies.

"(2) Upon the expiration of the written agreement under subsection (a), the Secretary may (notwithstanding any other provision of law) sell to the individual who has entered into an agreement with the Secretary under subsection (a), equipment and other property of the United States utilized by such individual in providing health services. Sales made under this subsection shall be made at the fair market value (as determined by the Secretary) of the equipment or such other property, except that the Secretary may make such sales for a lesser value to the individual if he determines that the individual is financially unable to pay the full market value.

"(f) The Secretary may, out of appropriations authorized under section 338, pay to individuals participating in private practice under this section the cost of such individual's malpractice insurance and the lesser of—

"(1)(A) $10,000 in the first year of obligated service;

"(B) $7,500 in the second year of obligated service;

"(C) $5,000 in the third year of obligated service; and

"(D) $2,500 in the fourth year of obligated service; or

"(2) an amount determined by subtracting such individual's net income before taxes from the income the individual would have received as a member of the Corps for each such year of obligated service.

"(g) The Secretary shall, upon request, provide to each individual released from service obligation under this section technical assistance to assist such individual in fulfilling his or her agreement under this section.".

(e)(1) Section 338D (as redesignated by subsection (a) of this section) is amended by striking out subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively.

(2) Section 338D(a) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended—

(A) by striking out "section 751" and inserting in lieu thereof "section 338A";

(B) by striking out "or" at the end of paragraph (2);

(C) by inserting "or" at the end of paragraph (3); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) fails to accept payment, or instructs the educational institution in which he is enrolled not to accept payment, in whole or in part, of a scholarship under such contract,".

(3) Section 338D(b) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended—

(A) by striking out "(c) If" in the first sentence and inserting in lieu thereof "(b)(1) Except as provided in paragraph (2), if";

(B) by striking out "(for any reason)" in the first sentence and inserting in lieu thereof "(for any reason not specified in subsection (a) or section 338F(b))";

(C) by striking out "section 752 or 753" in the first sentence and inserting in lieu thereof "section 338B or 338C";

(D) by striking out "section 752" in the first sentence and inserting in lieu thereof "section 338B";

(E) by striking out "section 753" in the first sentence and inserting in lieu thereof "section 338C";

(F) by inserting in the second sentence "(or such longer period beginning on such date as specified by the Secretary for good cause shown)" after "written contract"; and

(G) by adding at the end the following:

"(2) If an individual is released under section 753 from a service obligation under section 225 (as in effect on September 30, 1977) and if the individual does not meet the service obligation incurred under section 753, subsection (f) of such section 225 shall apply to such individual in lieu of paragraph (1) of this subsection.".

(4)(A) Section 338D(c)(2) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended by inserting "partial or total" before "waiver".

(B) Section 735(c)(1) (42 U.S.C. 294h(c)(1)) is amended—

"(i) by striking out "clauses (A) and (B) of"; and

"(ii) by striking out "section 753" each place it appears and inserting in lieu thereof "section 338C".

(f)(1) The section heading for section 338E (as redesignated by subsection (a) of this section) is amended by striking out "grants" and inserting in lieu thereof "loans".

(2) Section 338E(a) (as redesignated by subsection (a) of this section) is amended—

(A) by inserting a comma and "out of appropriations authorized under section 338," after "The Secretary may";

(B) by inserting "or one loan" after "grant";

(C) by striking out "(other than an individual who has entered into an agreement under section 338C)"; and

(D) by inserting "at least two years of" after "completed" in paragraph (1).

(3) Section 338E(a)(2)(A) (as redesignated by subsection (a) of this section) is amended by striking out "and described in paragraphs (1) and (2) of section 338C(a)".

(4) Section 338E(a)(2)(B) (as redesignated by subsection (a) of this section) is amended by striking out "section 753(b)(1)" and inserting in lieu thereof "section 338C(b)(1)".

(5) Section 338E(b) (as redesignated by subsection (a) of this section) is amended by inserting "or loan" after "grant".

(6) Section 338E(c) (as redesignated by subsection (a) of this section) is amended by inserting "or loan" after "grant" and by adding at the end thereof the following new sentence: "The Secretary shall, by regulation, set interest rates and repayment terms for loans under this section.".

(7) The second sentence of section 338E(d) (as redesignated by subsection (a) of this section) is amended to read as follows: "If within 60 days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under such subsection and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual—

"(1) in the case of an individual who has received a grant under this section, an amount determined under section 338D(c), except that in applying the formula contained in such section "ϕ" shall be the sum of the amount of the grant made under subsection (a) to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, "t" shall be the number of months that such individual agreed to practice his profession under such agreement, and "s" shall be the number of months that such individual practices his profession in accordance with such agreement; and

"(2) in the case of an individual who has received a loan under this section, the full amount of the principal and interest owed by such individual under this section.".

(g)(1) Section 338F(a) (as redesignated by subsection (a) of this section) is amended by inserting before the last sentence the following new sentence: "For the fiscal year ending September 30, 1982, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to make 550 new scholarship awards in accordance with section 338A(d) in each such fiscal year and to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1984.

(2) The last sentence of such section is amended by—

(A) striking out "1981" and inserting in lieu thereof "1985", and

(B) striking out "1980" and inserting in lieu thereof "1984".

(h) The amendments made by paragraphs (2), (3), and (5)(B) of subsection (c) shall apply with respect to contracts entered into under the National Health Service Corps scholarship program under subpart III of part C of title VII of the Public Health Service Act after the date of the enactment of this Act. An individual who

before such date has entered into such a contract and who has not begun the period of obligated service required under such contract shall be given the opportunity to revise such contract to permit the individual to serve such period as a member of the National Health Service Corps who is not an employee of the United States.

CHAPTER 2—HEALTH PROFESSIONS EDUCATION

LIMITATION OF USE OF APPROPRIATIONS

SEC. 2715. Section 700 (42 U.S.C. 292) is repealed.

DEFINITIONS

SEC. 2716. (a) Section 701(2) (42 U.S.C. 292a(2)) is amended to read as follows:

"(2) The term 'nonprofit' refers to the status of an entity owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.".

(b) Section 701(4) is amended—

(1) by striking out "a school which" and inserting in lieu thereof "an accredited public or nonprofit private school in a State that"; and

(2) by adding at the end thereof the following: "The term 'graduate program in health administration' means an accredited graduate program in a public or nonprofit private institution in a State that provides training leading to a graduate degree in health administration or an equivalent degree.".

(c) Section 701 is further amended—

(1) by redesignating paragraphs (5), (6), (7), (8), (9), and (10) as paragraphs (6), (7), (8), (9), (11), and (12), respectively;

(2) by inserting after paragraph (4) the following new paragraph:

"(5) The term 'accredited', when applied to a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or public health, or a graduate program in health administration, means a school or program that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education, except that a new school or program that, by reason of an insufficient period of operation, is not, at the time of application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title, if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school or program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or program."; and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) The term 'school of allied health' means a public or nonprofit private junior college, college, or university—

"(A) which provides, or can provide, programs of education in a discipline of allied health leading to a baccalaureate or associate degree (or an equivalent degree of either) or to a more advanced degree;

"(B) which provides training for not less than a total of twenty persons in the allied health curricula;

"(C) which includes or is affiliated with a teaching hospital; and

"(D) which is accredited by a recognized body or bodies approved for such purposes by the Secretary of Education, or which provides to the Secretary satisfactory assurance by such accrediting body or bodies that reasonable progress is being made toward accreditation.".

(d) Section 701(11) (as redesignated by subsection (c)(1) of this section) is amended by inserting "the Commonwealth of" before "the Northern Mariana Islands,".

(e) Section 701(12) (as redesignated by subsection (c)(1) of this section) is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

ADVANCE FUNDING

SEC. 2717. Section 703 (42 U.S.C. 292c) is amended—

(1) by striking out "(a)", and

(2) by striking out subsection (b).

RECORDS AND AUDITS

SEC. 2718. The second sentence of section 705(a)(42 U.S.C. 292e(a)) is repealed.

HEALTH PROFESSIONS DATA

SEC. 2719. (a) Section 708(a) (42 U.S.C. 292h(a)) is amended by inserting "chiropractors, clinical psychologists," after "medical technologists,".

(b) Subsections (c) and (d) of section 708 are amended to read as follows:

"(c) Any school, program, or training center receiving funds under this title or title VIII shall submit an annual report to the Secretary. Such report shall contain such information as is necessary to assist the Secretary in carrying out this section and evaluating the efficacy of these programs in addressing national health priorities. The Secretary shall not require the collection or transmittal of any information under this subsection that is not readily available to such school, program, or training center. Information provided pursuant to this subsection shall be collected or transmitted only to the extent permitted under subsection (e).

"(d) The Secretary shall submit to Congress on October 1, 1983, and biennially thereafter, the following reports:

"(1) A comprehensive report regarding the status of health personnel according to profession, including a report regarding the analytic and descriptive studies conducted under this section.

"(2) A comprehensive report regarding applicants to, and students enrolled in, programs and institutions for the training of health personnel, including descriptions and analyses of student indebtedness, student need for financial assistance, financial resources to meet the needs of students, student career choices such as practice specialty and geographic location and the relationship, if any, between student indebtedness and career choices.".

SHARED SCHEDULED RESIDENCY TRAINING POSITIONS

SEC. 2720. (a) Section 709 (42 U.S.C. 292i) is repealed.
(b) Sections 710 (42 U.S.C. 292j) and 711 (42 U.S.C. 292k) are redesignated as sections 709 and 710, respectively.

PAYMENT UNDER GRANTS

SEC. 2721. Section 709 (as redesignated by section 2720(b) of this Act) is amended to read as follows:

"APPLICATIONS, PAYMENTS, AND ASSURANCES UNDER GRANTS

"SEC. 709. (a) Grants made under this title may be paid (1) in advance or by way of reimbursement, (2) at such intervals and on such conditions as the Secretary may find necessary, and (3) with appropriate adjustments on account of overpayments or underpayments previously made.
"(b) No grant may be made or contract entered into under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.
"(c) Whenever in this title an applicant is required to provide assurances to the Secretary, or an application is required to contain assurances or be supported by assurances, the Secretary shall determine before approving the application that the assurances provided are made in good faith.
"(d) The Secretary may provide technical assistance for the purpose of carrying out any program or purpose under this title.".

TUITION AND OTHER EDUCATIONAL COSTS

SEC. 2722. Section 710 (as redesignated by section 2720(b) of this Act) is amended to read as follows:

"DIFFERENTIAL TUITION AND FEES

"SEC. 710. The Secretary may not enter into a contract with, or make a grant, loan guarantee, or interest subsidy payment under this title or title VIII, to or for the benefit of, any school, program, or training center if the tuition levels or educational fees at such school, program, or training center are higher for certain students solely on the basis that such students are the recipients of traineeships, loans, loan guarantees, service scholarships, or interest subsidies from the Federal Government.".

CONSTRUCTION ASSISTANCE FOR CONVERSIONS

SEC. 2723. (a) Section 720(a) (42 U.S.C. 293(a)) is amended by adding at the end the following:

"(3) The Secretary may make grants to schools providing the first 2 years of education leading to the degree of doctor of medicine to assist in the construction of the teaching facilities which the schools require to become schools of medicine.".

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

"(b) For the purpose of grants under subsection (a)(3), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1983, to remain available until expended.".

(c) Section 721(b)(1) (42 U.S.C. 293a(b)) is amended (1) by inserting after "(1)" the following: "To be eligible to apply for a grant under section 720(a)(3) the applicant must be a public or nonprofit school providing the first 2 years of education leading to the degree of doctor of medicine and be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.", and (2) by striking out "under this part" and inserting in lieu thereof "under paragraph (1) or (2) of section 720(a)".

(d) Subsection 721(g)(1) is amended by striking out "section 720(a)(2)" and inserting in lieu thereof "paragraph (2) or (3) of section 720(a)".

(e) Subsection (a) of section 722 (42 U.S.C. 293b(a)) is amended by adding at the end the following:

"(3) The amount of any grant under section 720(a)(3) shall be such amount as the Secretary determines to be appropriate after obtaining advice from the Council, except that no grant for any project may exceed 80 percent of the necessary costs of construction, as determined by the Secretary.".

(f) Section 723(a) (42 U.S.C. 293c(a)) is amended by striking out "section 720(a)(1)" and inserting in lieu thereof "paragraph (1) or (3) of section 720(a)".

REPEAL OF ENROLLMENT INCREASE REQUIREMENT

SEC. 2724. (a) Paragraph (2) of section 721(c) (42 U.S.C. 293a(c)(2)) is amended (1) by inserting "and" after "the facility,", and (2) by striking out ", and (D)" and all that follows in that paragraph and inserting in lieu thereof a semicolon.

(b) The Secretary of Health and Human Services shall unilaterally release all recipients of grants, loan guarantees, and interest subsidies under sections 720(a) and 726 (as such sections were in effect prior to October 1, 1981) from any contractual obligation to fulfill enrollment increases incurred pursuant to such sections or under regulations published to implement such sections.

(c) The amendment made by subsection (a) shall apply with respect to any entity which received a grant, loan guarantee, or interest subsidy under section 720 or section 726 irrespective of the date of the grant, loan guarantee, or interest subsidy.

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 2725. (a) Section 726(b) (42 U.S.C. 293i(b)) is amended (1) by inserting "before October 1, 1981," after "loan has been made", and

(2) by striking out ", during the period beginning July 1, 1971, and ending with the close of September 30, 1980,".

(b) The second sentence of section 726(e) is amended by striking out "and" after "1979," and by inserting before the period a comma and "and $4,300,000 for the fiscal year ending September 30, 1982, and each of the next 2 fiscal years".

(c) Section 726(g) is repealed.

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 2726. (a)(1) The first sentence of section 728(a) (42 U.S.C. 294a(a)) is amended by striking out "and" after "1979;" and by inserting before the period a semicolon and "and $200,000,000 for the fiscal year ending September 30, 1982; $225,000,000 for the fiscal year ending September 30, 1983; and $250,000,000 for the fiscal year ending September 30, 1984".

(2) The last sentence of such subsection is amended by striking out "1982" and inserting in lieu thereof "1987".

(b) Section 728(c) is amended to read as follows:

"(c)(1) Subject to paragraph (2), the Student Loan Marketing Association, established under part B of title IV of the Higher Education Act of 1965, is authorized to make advances on the security of, purchase, service, sell, consolidate, or otherwise deal in loans which are insured by the Secretary under this subpart, except that if any loan made under this subpart is included in a consolidated loan pursuant to the authority of the Association under part B of title IV of the Higher Education Act of 1965, the interest rate on such consolidated loan shall be set at the weighted average interest rate of all loans offered for consolidation and the resultant per centum shall be rounded downward to the nearest one-eighth of 1 per centum, except that the interest rate shall be no less than the applicable interest rate of the guaranteed student loan program established under part B of title IV of the Higher Education Act of 1965. In the case of such a consolidated loan, the borrower shall be responsible for any interest which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of any provision of the Higher Education Act of 1965. Special allowances payable with respect to consolidated loans made by the Association pursuant to the terms of this subsection—

"(A) shall be computed in accordance with section 438(b)(2)(A) of the Higher Education Act of 1965, and

"(B) shall be reduced (i) by subtracting 7 percent from the weighted average interest rate of a loan computed according to this subsection, and (ii) by subtracting the resultant remainder from such special allowance.

"(2) No loan insured by the Secretary under this subpart may be included in a consolidated loan pursuant to the authority of the Student Loan Marketing Association under part B of title IV of the Higher Education Act of 1965 if as a result of such inclusion the Federal Government becomes liable for any greater payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965 than the Federal Government would have been liable for had no consolidation occurred.".

LIMITATIONS

SEC. 2727. Section 729(a) (42 U.S.C. 294b(a)) is amended to read as follows:

"LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

"SEC. 729. (a) The total of the loans made to a student in any academic year or its equivalent (as determined by the Secretary) which may be covered by Federal loan insurance under this subpart may not exceed $20,000 in the case of a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, or podiatry, and $12,500 in the case of a student enrolled in a school of pharmacy, public health, or chiropractic, or a graduate program in health administration or clinical psychology. The aggregate insured unpaid principal amount for all such insured loans made to any borrower shall not at any time exceed $80,000 in the case of a borrower who is or was a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, or podiatry, and $50,000 in the case of a borrower who is or was a student enrolled in a school of pharmacy, public health, or chiropractic, or a graduate program in health administration or clinical psychology. The annual insurable limit per student shall not be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.".

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS

SEC. 2728. (a)(1) Section 731(a)(1)(A) (42 U.S.C. 294d(a)(1)(A)) is amended by striking out clause (iii) and redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(2) Clause (iii) of such section (as redesignated by paragraph (1) of this subsection) is amended by striking out "and" before "other reasonable educational expenses" and by inserting "and reasonable living expenses," after "and laboratory expenses,".

(b) Section 731(a)(2) is amended—

(1) by striking out "15 years" in subparagraph (B) and inserting in lieu thereof "25 years";

(2) by striking out "23 years" in such subparagraph and inserting in lieu thereof "33 years";

(3) by striking out "installments of principal need not be paid, but interest shall accrue and be paid" in subparagraph (C) and inserting in lieu thereof "installments of principal and interest need not be paid, but interest shall accrue";

(4) by striking out "three years" in subparagraph (C)(ii) and inserting in lieu thereof "four years";

(5) by striking out "the 15-year period or the 23-year period" in subparagraph (C) and inserting in lieu thereof "the 25-year period or the 33-year period";

(6) by inserting "except as provided in subparagraph (C)" after "period of the loan" in subparagraph (D);

(7) by striking out "otherwise payable (i) before the beginning of the repayment period, (ii) during any period described in sub-

paragraph (C), or (iii) during any other period of forbearance of payment of principal," in subparagraph (D);

(8) by inserting "for the purposes of calculating a repayment schedule" before the semicolon in subparagraph (D);

(9) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(10) by inserting after subparagraph (D) the following:

"(E) offers, in accordance with criteria prescribed by regulation by the Secretary, a schedule for repayment of principal and interest under which payment of a portion of the principal and interest otherwise payable at the beginning of the repayment period (as defined in such regulations) is deferred until a later time in the period;".

(c) Section 731(c) is amended by inserting before the period a comma and "except as provided in section 731(a)(2)(C)".

CERTIFICATE OF FEDERAL LOAN INSURANCE

SEC. 2729. Section 732 (42 U.S.C. 294e) is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this section shall be construed to preclude the lender and the borrower, by mutual agreement, from consolidating all of the borrower's debts into a single instrument, except that the portion of such debt that is insured under this subpart shall not be consolidated on terms less favorable to the borrower than if no consolidation had occurred and no loan under this subpart may be consolidated with any other loan if, as a result of such consolidation, the Federal Government becomes liable for any payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965.".

DEFAULTS

SEC. 2730. Section 733(g) (42 U.S.C. 294f(g)) is amended to read as follows:

"(g) A debt which is a loan insured under the authority of this subpart may be released by a discharge in bankruptcy under title 11, United States Code, only if such discharge is granted—

"(1) after the expiration of the 5-year period beginning on the first date, as specified in subparagraphs (B) and (C) of section 731(a)(2), when repayment of such loan is required;

"(2) upon a finding by the Bankruptcy Court that the nondischarge of such debt would be unconscionable; and

"(3) upon the condition that the Secretary shall not have waived the Secretary's rights to apply subsection (f) to the borrower and the discharged debt.".

DEFINITIONS; STUDENT ASSISTANCE

SEC. 2731. (a) Section 737(1) (42 U.S.C. 294j(1)) is amended to read as follows:

"(1) The term 'eligible institution' means, with respect to a fiscal year, a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health or chiropractic, or a graduate program in health administration or clinical psychology.".

(b) Section 737 is further amended by striking out paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (1) (as amended by subsection (a) of this section) the following new paragraphs:

"(2) The term 'school of chiropractic' means a school which provides training leading to a degree of doctor of chiropractic or an equivalent degree and which is accredited in the manner described in section 701(5).

"(3) The term 'graduate program in clinical psychology' means a graduate program in a public or nonprofit private institution in a State which provides training leading to a doctoral degree in clinical psychology or an equivalent degree and which is accredited in the manner described in section 701(5).".

ELIGIBLE STUDENTS

SEC. 2732. Subpart I of part C of title VII is amended by inserting after section 737 the following new section:

"DETERMINATION OF ELIGIBLE STUDENTS

"SEC. 737A. For purposes of determining eligible students under this part, in the case of a public school in a State that offers an accelerated, integrated program of study combining undergraduate premedical education and medical education leading to advanced entry, by contractual agreement, into an accredited four-year school of medicine which provides the remaining training leading to a degree of doctor of medicine, whenever in this part a provision refers to a student at a school of medicine, such reference shall include only a student enrolled in any of the last four years of such accelerated, integrated program of study.".

ELIGIBILITY OF INSTITUTIONS

SEC. 2733. (a) Section 739(a) (42 U.S.C. 294k(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out "whether" in paragraph (3) and inserting in lieu thereof "whenever";

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(4) the collection of information from the borrower, lender, or eligible institution to assure compliance with the provisions of section 731.".

(b) Section 739(b) is amended to read as follows:

"(b) The Secretary shall require an eligible institution to record, and make available to the lender and to the Secretary upon request, the name, address, postgraduate destination, and other reasonable identifying information for each student of such institution who has a loan insured under this subpart.".

AUTHORIZATIONS

SEC. 2734. (a) The first sentence of section 742(a) (42 U.S.C. 2940(a)) is amended by striking out "and" after "1979," and by inserting before the period a comma and $12,000,000 for the fiscal

year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984".

(b) The second sentence of section 742(a) is repealed.

INTEREST RATE

SEC. 2735. Section 741(e) (42 U.S.C. 294n(e)) is amended by striking out "7" and inserting in lieu thereof "9".

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 2736. Section 743 (42 U.S.C. 294p) is amended by striking out "1983" each place it appears and inserting in lieu thereof "1987".

EXTENSION OF SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 2737. (a) Section 758(d) (42 U.S.C. 294z(d)) is amended (1) by striking out "and" after "1979,", and (2) by inserting before the period a comma and the following: "$6,000,000 for the fiscal year ending September 30, 1982, $6,500,000 for the fiscal year ending September 30, 1983, and $7,000,000 for the fiscal year ending September 30, 1984".

(b) Section 758(c) is amended (1) by striking out "distribute grants under this section among all schools of the health professions, but shall", and (2) by striking out "such grants" and inserting in lieu thereof "grants under subsection (a)".

DEPARTMENTS OF FAMILY MEDICINE

SEC. 2738. (a) Section 780(a) (42 U.S.C. 295g(a)) is amended by striking out "and maintain" and by inserting in lieu thereof a comma and "maintain, or improve".

(b) Section 780(b)(1)(D) is amended—

(1) by striking out "have control over" and inserting in lieu thereof "have control over (or in the case of a school of osteopathy, have control over or be closely affiliated with)"; and

(2) by striking out "twelve" and inserting in lieu thereof "nine".

(c) Section 780(c) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984".

AREA HEALTH EDUCATION CENTERS

SEC. 2739. (a) Section 781(c)(2) (42 U.S.C. 295g-1(c)(2)) is amended by adding a new sentence after the sentence at the end thereof to read as follows: "The Secretary may waive, for good cause shown, all or part of the requirement of paragraph (2) as it applies to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

(b) Section 781(d)(2)(C) is amended by inserting "a rotating osteopathic internship or" after "conduct".

(c) Section 781(d)(2)(E) is amended by striking out "support services" and inserting in lieu thereof "educational support services".

(d) Section 781(g) is amended (1) by striking out "and" after "1979,", and (2) by inserting a comma before the period and the following: "$21,000,000 for the fiscal year ending September 30, 1982, $22,500,000 for the fiscal year ending September 30, 1983, and $24,000,000 for the fiscal year ending September 30, 1984,".

(e)(1) Effective October 1, 1981, subsection (a) of section 781 is amended to read as follows:

"SEC. 781. (a)(1) The Secretary shall enter into contracts with schools of medicine and osteopathy for the planning, development, and operation of area health education center programs.

"(2) The Secretary shall enter into contracts with schools of medicine and osteopathy, which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professions Educational Assistance Act of 1976 in fiscal year 1979, or under this section to carry out under area health education center programs—

"(A) projects to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system;

"(B) projects to encourage the regionalization of educational responsibilities of the health professions schools; and

"(C) projects designed to prepare, through preceptorships and other programs, individuals subject to a service obligation under the National Health Service Corps scholarship program to effectively provide health services in health manpower shortage areas.".

(2) The first sentence of subsection (e) is repealed.

(3) Subsection (e) is amended by adding after paragraph (3) the following: "The Secretary may vest in entities which have received contracts under section 802 of the Health Professions Educational Assistance Act of 1976, section 774 as in effect before October 1, 1977, or under subsection (a) of this section for area health education centers programs title to any property acquired on behalf of the United States by that entity (or furnished to that entity by the United States) under that contract.".

(4) The first sentence of subsection (f) is amended to read as follows: "For purposes of this section, the term 'area health education center program' means a program which is organized as provided in subsection (b) and under which the participating medical and osteopathic schools and the area health education centers meet the requirements of subsections (c) and (d).".

(5) Subsection (g) of such section is amended by adding at the end the following: "The Secretary may obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2).".

PHYSICIAN ASSISTANTS

SEC. 2740. (a) Section 783(e) (42 U.S.C. 295g-3(e)) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$5,000,000 for the fiscal year ending

September 30, 1982, $5,500,000 for the fiscal year ending September 30, 1983, and $6,000,000 for the fiscal year ending September 30, 1984".

(b) Section 783(c) is amended by striking out "830" and inserting in lieu thereof "822".

(c)(1) Subsection (a) of section 783 is amended to read as follows:

"(a) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(7)).".

(2) The heading for section 783 is amended to read as follows:

"PROGRAMS FOR PHYSICIAN ASSISTANTS".

(d) Section 783 is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 2741. (a) Section 784(a) (42 U.S.C. 295g-4(a)) is amended—

(1) by inserting ", public or private nonprofit hospital, or any other public or private nonprofit entity" after "osteopathy";

(2) by striking out "and" after the semicolon in paragraph (1);

(3) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraphs:

"(3) to plan, develop, and operate a program for the training of physicians who plan to teach in a general internal medicine or general pediatrics training program; and

"(4) which provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine or general pediatrics training program.".

(b) Section 784(b) (42 U.S.C. 295g-4(b)) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$17,000,000 for the fiscal year ending September 30, 1982, $18,000,000 for the fiscal year ending September 30, 1983, and $20,000,000 for the fiscal year ending September 30, 1984".

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 2742. (a) Section 786(d) (42 U.S.C. 295g-6(d)) is amended—

(1) by striking out "and" after "1979,";

(2) by inserting after "1980" a comma and the following: "$32,000,000 for the fiscal year ending September 30, 1982, $34,000,000 for the fiscal year ending September 30, 1983, and $36,000,000 for the fiscal year ending September 30, 1984"; and

(3) by adding at the end thereof the following new sentence: "In making grants and entering into contracts under this section with amounts appropriated under this subsection for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, the Secretary shall give priority to grants and contracts for residency or internship programs under paragraphs (1) and (2) of subsection (a)."

(b) Section 786(a)(1) is amended by striking out "a continuing education program or".

(c) Section 786 is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 2743. Effective with respect to fiscal years beginning after September 30, 1981, section 787 (42 U.S.C. 295g-7) is amended—

(1) by inserting "allied health," after "pharmacy," in subsection (a)(1), and

(2) by amending subsection (b) to read as follows:

"(b) There are authorized to be appropriated for grants and contracts under subsection (a)(1), $20,000,000 for the fiscal year ending September 30, 1982, $21,500,000 for the fiscal year ending September 30, 1983, and $23,000,000 for the fiscal year ending September 30, 1984. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers."

CONVERSION AND CURRICULUM GRANTS

SEC. 2744. (a)(1) Subsections (a) and (b) of section 788 (42 U.S.C. 295g-8) are repealed.

(2) Notwithstanding the amendment made by paragraph (1), a school which received a grant under section 788(a) of the Public Health Service Act for the fiscal year ending September 30, 1981, may continue to receive grants under such section (as in effect on the day before the date of the enactment of this Act) for each year such school is a new school as determined under such section. For purposes of making such grants, there are authorized to be appropriated such sums as may be necessary.

(b) Subsection (c) of such section is redesignated as subsection (a) and effective with respect to fiscal years beginning after September 30, 1981, is amended to read as follows:

"(a)(1) The Secretary may make grants to schools which provide the first two years of education leading to the degree of doctor of medicine to assist the schools in accelerating the date they will become schools of medicine.

"(2) The amount of a grant under paragraph (1) to a school shall be equal to the product of $25,000 and the number of full-time, third-year students which the Secretary estimates will enroll in the school in the school year beginning in the fiscal year in which such grant is made. Estimates by the Secretary under this paragraph of the number of full-time, third-year students to be enrolled in the school may be made on assurances provided by the school.

"(3) To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first two years of education leading to the degree of doctor of medicine and be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.".

(c) Subsection (d) of such section is redesignated as subsection (b) and is amended—

(1) by inserting "dentistry," before "optometry" in paragraph (6),

(2) by striking out "and" at the end of paragraph (20),

(3) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon, and

(4) by adding at the end the following:

"(22) training of health professionals in the diagnosis, treatment, and prevention of diabetes and other severe chronic diseases and their complications;

"(23) dental education, the training of expanded function dental auxiliaries, and dental team practice; and

"(24) training of allied health personnel.".

(d) Subsections (f) and (g) of such section are repealed.

(e) Subsection (e) of such section is redesignated as subsection (f) and effective with respect to fiscal years beginning after September 30, 1981, is amended to read as follows:

"(f) For purposes of this section, there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982; $6,500,000 for the fiscal year ending September 30, 1983; and $7,000,000 for the fiscal year ending September 30, 1984.".

(f) Section 788 is amended by inserting after subsection (b) (as redesignated by subsection (c) of this section) the following new subsections:

"(c)(1) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or other appropriate public or nonprofit private entities to assist in meeting the costs of planning, establishing, and operating projects to provide support services to health professionals practicing in health manpower shortage areas designated under section 332. Such support services may include continuing education, relief services, specialist referral services, and placement of students in a preceptorial relationship with the practitioner.

"(2) No grant may be made to or contract entered into with an entity under paragraph (1)—

"(A) unless the entity agrees to provide support services to any physician, dentist, veterinarian, optometrist, podiatrist, or pharmacist (as appropriate to the category of health professionals proposed to be served by the grant or contract) who requests such services within the health manpower shortage area proposed to be served, including any member of the National Health Service Corps;

"(B) to carry out activities required to be carried out under section 781; or

"(C) unless the amount of the award under this section is matched by a no less than equal amount from non-Federal sources.

"(3) Not more than 15 percent of funds available to carry out this subsection may be used by the Secretary to fund eligible recipients to carry out research relating to the support needs of practitioners in health manpower shortage areas, nor shall more than 30 percent of such funds be used to provide continuing education.

"(d) The Secretary may make grants to and enter into contracts with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities of providing projects to—

"(1) plan, develop, and establish courses, or expand or strengthen instruction in geriatric medicine; and

"(2) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

"(e) The Secretary may make grants to and enter into contracts with schools of podiatry to assist in meeting the costs to such schools of providing projects to—

"(1) recruit students who reside in areas having shortages of podiatric manpower, as determined by the Secretary; and

"(2) to operate clinical training programs at public or nonprofit entities located in such areas.".

FINANCIAL DISTRESS; ADVANCED FINANCIAL DISTRESS

SEC. 2745. Title VI is amended by inserting after section 788 the following new sections:

"FINANCIAL DISTRESS GRANTS

"SEC. 788A. (a) The Secretary may make grants to, and enter into contracts with, a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health that is in serious financial distress for the purposes of assisting such school to—

"(1)(A) meet the costs of operation if such school's financial status threatens its continued operation; or

"(B) meet applicable accreditation requirements if such school has a special need to be assisted in meeting such requirements; and

"(2) carry out appropriate operational, managerial, and financial reforms.

"(b) ANY grant or contract under this section may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

"(1) disclose any financial information or data necessary to determine the sources or causes of such school's financial distress;

"(2) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

"(3) carry out appropriate operational, managerial, and financial reforms including the securing of increased financial support from non-Federal sources.

"(c) No school may receive a grant under this section if such school has previously received support for three or more years under this section or under section 788(b) (as such section was in effect prior to October 1, 1981).".

"ADVANCED FINANCIAL DISTRESS ASSISTANCE

"SEC. 788B. (a) The Secretary may enter into a multiyear contract with a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy to provide financial assistance to such school to meet incurred or prospective costs of operation if the Secretary determines that payment of such costs is essential to remove the school from serious and long-standing financial instability. To be eligible for a contract under this section, a school must have previously received financial support under section 788A or under section 788(b) (as such section was in effect prior to October 1, 1981) for a period of not less than three years.

"(b) No school may enter into a contract under this section unless—

"(1) the school has submitted to the Secretary a plan providing for the school to achieve financial solvency within five years and has agreed to carry out such plan;

"(2) such plan includes securing increased financial support from non-Federal sources;

"(3) such plan has been reviewed by a panel selected by the Secretary and consisting of three experts in the field of financial management who are not directly affiliated with the school or the Federal Government; and

"(4) the Secretary determines, after consultation with such panel, that such plan has a reasonable likelihood of achieving success.

"(c) The panel described in subsection (b)(3) shall be appointed by the Secretary within thirty days after the date of receipt of the school's plan and shall be dissolved no later than forty-five days after the panel's recommendation has been transmitted to the Secretary. Members of the panel shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they perform duties.

"(d) Any contract under this section may be entered into upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

"(1) disclose any financial information or data necessary to determine the sources or causes of such school's financial distress;

"(2) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

"(3) carry out appropriate operational, managerial, and financial reforms including the securing of increased financial support from non-Federal sources.

"(e) Pursuant to the approved plan in subsection (b), funds received under this section may be used to pay short-term or long-term debts of such school, meet accreditation requirements, or meet other costs, payment of which is essential to the continued operation of the institution or to permit such institution to achieve financial solvency within the period of the contract.

"(f) No school may receive support under this section for more than five years. No contract may be entered into under this section,

or continued, in a fiscal year in which the school receives support under section 788A.

"(g) An application for a contract under this section shall contain or be supported by assurances that the applicant will, in carrying out its function as a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, expend during the fiscal year for which such contract is sought, an amount of funds from non-Federal sources (other than funds for construction and any contract under this section) at least as great as the average annual amount of funds from non-Federal sources expended by such applicant in the preceding two years.

"(h) For the purpose of entering into contracts to carry out this section and section 788A, there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1982, and each of the succeeding two fiscal years. Of the amounts appropriated under the preceding sentence, not more than $2,000,000 shall be available under section 788A. Funds provided under this section shall remain available until expended without regard to any fiscal year limitation.".

PUBLIC HEALTH AND HEALTH ADMINISTRATION

SEC. 2746. (a)(1) Section 770(e)(4) (42 U.S.C. 295f(e)(4)) is amended by striking out "and" after "1979," and by inserting after "1980," the following: "$6,500,000 for the fiscal year ending September 30, 1982, $7,000,000 for the fiscal year ending September 30, 1983, and $7,500,000 for the fiscal year ending September 30, 1984,".

(2) Section 771(e) (42 U.S.C. 295g(e)) is amended by striking out ", in addition to the requirements of subsection (a)," and by adding at the end thereof the following sentence: "The requirements of subsection (a)(1) shall not apply to schools of public health.".

(b)(1) Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "and" after "1979," and by inserting before the period the following: ", $1,500,000 for the fiscal year ending September 30, 1982, $1,750,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984".

(2) Section 749 (42 U.S.C. 249s) is inserted after section 791, redesignated as section 791A, and amended in subsection (c) (A) by striking out "and" after "1979;", and (B) by inserting before the period a semicolon and the following: "and $500,000 for the fiscal year ending September 30, 1982, and the next two fiscal years".

(c) Section 792 (42 U.S.C. 295h-1) is repealed.

(d) Section 748 (42 U.S.C. 294r) is inserted after section 791A, redesignated as section 792, and amended (1) by striking out "749" in subsection (a)(2) and inserting in lieu thereof "791A", (2) by striking out "postbaccalaureate" in subsection (b)(3)(A)(i) and inserting in lieu thereof "baccalaureate", (3) by striking out "and" after "1979;" in subsection (c), and (4) by inserting before the period in such subsection a semicolon and the following: "$3,000,000 for the fiscal year ending September 30, 1982; $3,500,000 for the fiscal year ending September 30, 1983; and $4,000,000 for the fiscal year ending September 30, 1984".

(e) Part C of title VII is amended by striking out "Subpart III—Traineeships for Students in Schools, Public Health and Other Graduate Programs".

(f) Section 793 (42 U.S.C. 295h-3) entitled "statistics and annual report" is redesignated as section 794 and the following new section is inserted after section 792:

"TRAINING IN PREVENTIVE MEDICINE

"SEC. 793. (a) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of projects—

"(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

"(2) to provide financial assistance to residency trainees enrolled in such programs.

"(b)(1) The amount of any grant under subsection (a) shall be determined by the Secretary. No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

"(c) For the purpose of grants under subsection (a), there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1982, and $1,500,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984.".

PHYSICIAN STUDY

SEC. 2747. (a) The Secretary of Health and Human Services shall arrange, in accordance with subsection (c), for a study to determine—

(1) the implications of the increase in the supply of physicians and the projected distribution of the increased number of physicians in the various medical specialties for—

(A) the cost of health care,

(B) the distribution of all physicians by geographic area, and

(C) the quality of health care; and

(2) the implications of the patterns of payments of physicians by Federal and other public and private third-party payers (including differences in the levels of payments to physicians in various medical specialties and geographic areas and differences in the amount of payments which support post-graduate training programs in such specialties) for—

(A) the distribution of physicians in the various medical specialties,

(B) the cost of health care,

(C) the distribution of physicians by geographic area, and

(D) the quality of health care.

(b) An interim report on such study shall be completed not later than March 30, 1983. Such interim report shall include an analysis of the most effective means of providing financial assistance to graduate medical education in the United States in general internal medicine, general pediatrics, and family medicine, with particular attention to identifying ways of reducing or eliminating the need for special Federal financial assistance for such programs. A final report of such study shall be completed not later than September 30, 1984. Both reports shall be submitted to the Secretary, the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives.

(c)(1) The Secretary shall enter into a contract with the Institute of Medicine of the National Academy of Sciences to conduct the study described in subsection (a). If the Institute of Medicine is unwilling to enter into a contract to conduct such study, then the Secretary shall enter into a contract with another appropriate nonprofit private entity to conduct such study and prepare and submit the reports thereon as provided in subsection (b).

(2) The authority of the Secretary to enter into a contract under paragraph (1) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

CHAPTER 3—NURSE TRAINING

REPEAL OF ENROLLMENT INCREASE REQUIREMENT

SEC. 2751. The Secretary may waive the enforcement of assurances given by any school under section 802(b)(2)(D) (42 U.S.C. 296a(b)(2)(D)).

FINANCIAL DISTRESS GRANTS

SEC. 2752. Section 815(c) (42 U.S.C. 296j(c)) is amended by striking out "and" after "1977," and by inserting before the period a comma and "$3,000,000 for the fiscal year ending September 30, 1982, $2,000,000 for the fiscal year ending September 30, 1983, and $1,000,000 for the fiscal year ending September 30, 1984".

SPECIAL PROJECTS

SEC. 2753. (a)(1) Section 820(a) (42 U.S.C. 296k(a)) is amended (A) by striking out paragraphs (1), (2), and (8), (B) by inserting "or" at the end of paragraph (6), (C) by striking out the semicolon and "or" at the end of paragraph (7) and inserting in lieu thereof a period, and (D) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (1), (2), (3), (4), and (5), respectively.

(2) Notwithstanding the amendment made by paragraph (1) of this subsection and paragraph (2) of subsection (b), an entity which received a grant or contract under section 820(a) of the Public Health Service Act for the fiscal year ending September 30, 1981, for a project described in paragraph (1), (2), or (8) of such section (as in effect when it received the grant or contract) may receive one additional grant or contract under such section for such project.

(b) Section 820(d) is amended—

(1) by striking out "and" after "1978,", and by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984"; and

(2) by amending the last sentence to read as follows: "Of the funds appropriated under this subsection for any fiscal year beginning after September 30, 1981, not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(1), not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(4), and not less than 10 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(5).".

ADVANCED NURSE TRAINING

SEC. 2754. (a) Section 821(a)(1) (42 U.S.C. 296l(a)(1)) is amended by striking out "to each" and inserting in lieu thereof "to teach".

(b) Section 821(b) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1980" a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1982, $15,000,000 for the fiscal year ending September 30, 1983, and $16,000,000 for the fiscal year ending September 30, 1984".

(c) Section 821(a) is amended (1) by striking out "(1)" after "(a)", and (2) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

NURSE PRACTITIONER PROGRAMS

SEC. 2755. (a) Section 822(b)(1) (42 U.S.C. 296m(b)(1)) is amended by striking out "who are residents of a health manpower shortage area (designated under section 332)" and inserting in lieu thereof a period and the following: "In considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of health manpower shortage areas designated under section 332.".

(b)(1) Section 822(b)(3) is amended by inserting before the period the following: "for a period equal to one month for each month for which the recipient receives such a traineeship".

(2) Section 822(b) is amended by adding after paragraph (3) the following:

"(4)(A) If, for any reason, an individual who received a traineeship under paragraph (1) fails to complete a service obligation under paragraph (3), such individual shall be liable for the payment of an amount equal to the cost of tuition and other education expenses and other payments paid under the traineeship, plus interest at the maximum legal prevailing rate.

"(B) When an individual who received a traineeship is academically dismissed or voluntarily terminates academic training, such individual shall be liable for repayment to the Government for an amount equal to the cost of tuition and other educational expenses

paid to or for such individual from Federal funds plus any other payments which were received under the traineeship.

"(C) Any amount which the United States is entitled to recover under subparagraph (A) or (B) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

"(D) The Secretary shall by regulation provide for the waiver or suspension of any obligation under subparagraph (A) or (B) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.".

(c) Section 822(e) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1980" a comma and the following: "$12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984".

TRAINEESHIPS

SEC. 2756. Section 830(b) (42 U.S.C. 297(b)) is amended—

(1) by striking out "and" after "1978,", and by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984"; and

(2) by adding at the end the following: "Not less than 25 percent of the funds appropriated under this subsection for any fiscal year shall be obligated for traineeships described in subsection (a)(1)(A), except that if the obligation of that amount of the funds appropriated under this subsection will prevent the continuation of a traineeship to an individual who received a traineeship under subsection (a) for the fiscal year ending September 30, 1981, the Secretary shall reduce the amount to be obligated for traineeships described in subsection (a)(1)(A) by such amount as may be necessary for the continuation of traineeships first awarded in such fiscal year. Priority in the award of traineeships under subsection (a)(1)(C) shall go to nurse widwife trainees.".

STUDENT LOANS

SEC. 2757. (a) Section 835(b)(4) (42 U.S.C. 297a(b)(4)) is amended by striking out ", and that while the agreement remains in effect no such student who has attended such school before October 1, 1980, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958".

(b) Section 836(b)(5) (42 U.S.C. 297b(b)(5)) is amended by striking out "3" and inserting in lieu thereof "6".

(c) Section 837 (42 U.S.C. 297c) is amended (1) by striking out "and" after "1978,", (2) by inserting after "September 30, 1980" a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1982, $16,000,000 for the fiscal year ending September 30, 1983, and $18,000,000 for the fiscal year ending September 30, 1984", (3) by striking out "1981" in the second sentence and insert-

ing in lieu thereof "1985", (4) by striking out "October 1, 1980" and inserting in lieu thereof "October 1, 1984", and (5) by adding at the end the following: "Of the amount appropriated under the first sentence for the fiscal year ending September 30, 1982, and the two succeeding fiscal years, not less than $1,000,000 shall be obligated in each such fiscal year for loans from student loan funds established under section 835 to individuals who are qualified to receive such loans and who, on the date they receive the loan, have not been employed on a full-time basis or been enrolled in any educational institution on a full-time basis for at least seven years. A loan to such an individual may not exceed $500 for any academic year.".

(d) Section 839 (42 U.S.C. 297e) is amended by striking out "1983" each place it occurs and inserting in lieu thereof "1987".

SCHOLARSHIPS

SEC. 2758. (a) Section 845(b) (42 U.S.C. 297j(b)) is amended by striking out "and for each of the two succeeding fiscal years".

(b) Section 845(c)(1)(B) is amended by striking out ", and for each of the two succeeding fiscal years".

(c) Section 846 (42 U.S.C. 297k) is repealed.

GENERAL PROVISIONS

SEC. 2759. (a) Section 851(a) (42 U.S.C. 298(a)) is amended by striking out "and the Commissioner of Education, both of whom shall be ex officio members" and inserting in lieu thereof "and an ex officio member".

(b)(1) Section 853(2) (42 U.S.C. 298b(2)) is amended by inserting "in a State" before the period.

(2) Section 853(6) is amended by striking out "Commissioner" each place it appears and inserting in lieu thereof "Secretary".

(c) Section 856 (42 U.S.C. 298b-3) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

CHAPTER 4—SURGEON GENERAL

SURGEON GENERAL

SEC. 2765. (a) The first sentence of section 211(a)(1) of the Public Health Service Act (42 U.S.C. 212(a)(1)) is amended (1) by striking out "shall be retired on" and inserting in lieu thereof "shall, if he applies for retirement, be retired on or after", and (2) by amending the last sentence to read as follows: "This paragraph does not permit or require the involuntary retirement of any individual because of the age of the individual.".

(b) Section 204 of the Public Health Service Act (42 U.S.C. 205) is amended by striking out the second sentence and inserting in lieu thereof the following: "The Surgeon General shall be appointed from individuals who (1) are members of the Regular Corps, and (2) have specialized training or significant experience in public health programs.".

(c) The first sentence of section 207(b)(1) of the Public Health Service Act (42 U.S.C. 209(b)(1)) is amended by inserting "(other than an appointment under section 204)" after "no such appointment".

(2) The second sentence of such section 204 is amended to read as follows: "Upon the expiration of such term, the Surgeon General, unless reappointed, shall revert to the grade and number in the Regular or Reserve Corps that he would have occupied had he not served as Surgeon General.".

And the Senate agree to the same.

Solely for consideration of title I of the House bill (except that portion of section 1015 entitled "International Programs, Public Law 480", and the 9th, 14th, 15th, 16th and 17th paragraphs of such section 1015), and title I (except parts D and G and section 142) of the Senate amendment.

From the Committee on Agriculture

E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr. (except for sections 1015, 1021, 1027, and 1029 of the House bill and section 112 of the Senate amendment),
DAVID R. BOWEN (except for sections 1001-14 of the House bill and sections 151-169 of the Senate amendment),
FREDERICK RICHMOND,
CHARLES ROSE (only for sections 1027 and 1029 of the House bill and section 112 of the Senate amendment),
JIM WEAVER (only for section 1015 of the House bill),
TOM HARKIN (only for sections 1001-14 and 1021 of the House bill and sections 151-169 of the Senate amendment),
BILL WAMPLER,
PAUL FINDLEY (except for section 1015 of the House bill and sections 131-33 of the Senate amendment),
JAMES M. JEFFORDS (except for sections 1023-6, 1027, and 1029 of the House bill and sections 111 and 112 of the Senate amendment),
TOM HAGEDORN (except for sections 1001-14 and 1015 of the

House bill and sections 151-169 of the Senate amendment),
WILLIAM M. THOMAS (only for sections 1015, 1023-6, and 1029 of the House bill and sections 111 and 131-33 of the Senate amendment),
LARRY J. HOPKINS (only for sections 1027 and 1029 of the House bill and section 112 of the Senate amendment),
E. THOMAS COLEMAN (only for sections 1001-14 of the House bill and sections 151-169 of the Senate amendment),
RON MARLENEE (only for section 1015 of the House bill and sections 511-13 and 516-19 of the Senate amendment),
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S.I. HAYAKAWA,
DICK LUGAR,
THAO COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
Managers on the Part of the Senate.

Solely for the consideration of that portion of section 1015 entitled "International programs, Public Law 480" and title VII, sections 7001(12), 7002(10), and 7003(9) of the House bill, and title I, part D, of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr. (except for the section 1015 provision),
DAVID R. BOWEN,
FREDERICK RICHMOND,
JIM WEAVER (for the section 1015 provision only),
BILL WAMPLER,
JAMES JEFFORDS,
TOM HAGEDORN (except for the section 1015 provision),
WILLIAM M. THOMAS,
RON MARLENEE (for the section 1015 provision only).
From the Committee on Foreign Affairs:
CLEMENT J. ZABLOCKI,

L. H. FOUNTAIN,
DANTE B. FASCELL,
BEN ROSENTHAL,
LEE H. HAMILTON,
JONATHAN BINGHAM,
WM. BROOMFIELD,
ED DERWINSKI,
PAUL FINDLEY,
LARRY WINN, Jr.,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
EDWARD ZORINSKY,
Managers on the Part of the Senate.

Solely for consideration of the 14th through the 17th paragraphs in section 1015, and section 8002, of the House bill, and title V, subtitle B, part 1 of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
DAVID R. BOWEN,
FEDERICK RICHMOND,
JIM WEAVER,
BILL WAMPLER,
PAUL FINDLEY (except for section 1015 of the House bill),
JAMES M. JEFFORDS,
WILLIAM M. THOMAS (for section 1015 of the House bill only),
RON MARLENEE.

From the Committee on Interior and Insular Affairs (for title V, subtitle B, part 1 of the Senate amendment and section 8002 only):
MO UDALL,
PHIL BURTON,
ROBERT W. KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL TUJAN, Jr.,
DON YOUNG,
ROBERT J. LAGOMARSINO,

DAN MARRIOTT,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY.
From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 8007 of the House bill and title VI, subtitle B, part B, of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FREDERICK RICHMOND,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN.
From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.
From the Committee on Interior and Insular Affairs (for title V, subtitle B, part 1 of the Senate amendment and for section 8002 only):
MO UDALL,
PHIL BURTON,
ROBERT W. KASTENMEIER,
ABRAHAM KAZEN, Jr.,

JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN, Jr.,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title V, section 5112 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS A. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FRED RICHMOND
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
Managers on the Part of the Senate.

Solely for consideration of section 15452 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN Jr.,
FRED RICHMOND,
TOM HARKIN,
BILLY WAMPLER,
PAUL FINDLEY,

JAMES M. JEFFORDS,
E. THOMAS.

From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY.

From the Committee on Finance:
ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
RUSSELL B. LONG,
HARRY F. BYRD, Jr.,
Managers on the Part of the Senate.

Solely for consideration of section 1117(e) of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FRED RICHMOND,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,

EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, subtitle B, part 2, and section 142, of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
DAVID R. BOWEN,
FRED RICHMOND,
JIM WEAVER,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
RON MARLENEE.
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
TIM WIRTH,
PHILIP R. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON.
From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY,
Managers on the Part of the Senate.

Solely for consideration of the 9th paragraph of section 1015 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS L. FOLEY,
ED JONES,
DAVID R. BOWEN,
FRED RICHMOND,
JIM WEAVER,
BILL WAMPLER,
JAMES M. JEFFORDS,
WILLIAM M. THOMAS,
RON MARLENEE,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title II of the House bill and title II of the Senate amendment.

From the Committee on Armed Services:
MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD C. WHITE,
BILL NICHOLS,
JACK BRINKLEY,
WILLIAM L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
DONALD J. MITCHELL,
Managers on the Part of the House.

From the Committee on Armed Services:
JOHN TOWER,
GORDON J. HUMPHREY,
ROGER W. JEPSEN,
J. J. EXON,
CARL LEVIN,
Managers on the Part of the Senate.

Solely for consideration of title III, subtitle A (except sections 3110(d) and 3301(g)), section 3676, and subtitle C of House bill, and title III, subtitles A and C of the Senate amendment.

From the Committee on Banking, Finance and Urban Affairs:

FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART MCKINNEY,
THOMAS B. EVANS, Jr.,
Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:
JAKE GARN,
JOHN HEINZ,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

Solely for consideration of section 3110(d) and title VI, subtitle B of the House bill.

From the Committee on Banking, Finance and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART MCKINNEY,
TOM EVANS.
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO.
From the Committee on Energy and Commerce:
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 3301(g) of the House bill and title V, subtitle E of the Senate amendment.

From the Committee on Banking, Finance, and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART B. MCKINNEY,
TOM EVANS,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of title III, subtitle B (except section 3676) of the House bill.

From the Committee on Banking, Finance, and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
STEWART B. MCKINNEY,
TOM EVANS,
Managers on the Part of the House.

From the Committee on Foreign Relations:
CHARLES H. PERCY,
CHARLES MCC. MATHIAS, JR.,
NANCY LANDON KASSEBAUM,

CLAIBORNE PELL,
Managers of the Part of the Senate.

Solely for consideration of title IV of the House bill and section 904 of the Senate amendment

From the Committee on the District of Columbia:
RONALD V. DELLUMS,
WALTER E. FAUNTROY,
ROMANO L. MAZZOLI,
MICKEY LELAND,
WILL H. GRAY,
MERVYN M. DYMALLY,
STEWART B. MCKINNEY,
STAN PARRIS,
TOM BLILEY,
MARJORIE S. HOLT,
Managers on the Part of the House.

From the Committee on Governmental Affairs:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON,
DAVID PRYOR,
Managers on the Part of the Senate.

Solely for consideration of title V, section 5001, subtitles A and B (except sections 5112, 5130, 5131, and 5133), subtitle C, chapter 1, subchapters B and C (except section 5397), subtitle C. chapter 1, subchapter E, and subtitle C, chapter 2, subchapter B of the House bill, and title XI, section 1101–8(16) through (19), part B (except section 1117(e)), and parts C, D, F, and G (except sections 1137 and 1163 and subparts 2 and 3 of part D) of the Senate amendment.

INDEX

Area A: (1) sections 5101, 5104, 5105, 5109, 5113, 5114, 5117, 5120, 5121, 5122, 5124, 5125, 5126, 5132, 5140, 5143, and 5211(2)–5211(12) of the House bill; (2) title V, subtitle C, chapter 1, subchapter B of the House bill; (3) title V, subtitle C, chapter 1, subchapter E of the House bill; (4) sections 1111, 1112, 1113, 1115, 1116, 1117(a), 1117(i), 1117(j), 1119, and 1120–1 of the Senate amendment; and (5) title XI, part C of the Senate amendment.

Area B: title V, subtitle C, chapter 1, subchapter (c) (except section 5397) of the House bill.

Area C: (1) sections 5103, 5106, 5107, 5108, 5110, 5115, 5116, 5118, 5119, 5123, 5128, 5135, 5139, 5140, 5142, 5144, 5211(1), 5211(13), 5211(14), and 5211(17)–(21) of the House bill; (2) sections 1117(g) and 1131–1 of the Senate amendment; (3) title XI, part D, subparts 3 through 5 of the Senate amendment; (4) sections 1152 of the Senate amendment; and (5) title XI, part G (except section 1163) of the Senate amendment.

Area D: (1) sections 5102, 5108, 5111, 5127, 5129, 5134, 5136, 5137, 5138, 5211(15), and 5211(16) of the House bill; (2) title V, subtitle C, chpater 2, subchapter B of the House bill; and (3) sections 1117(b)–(f), (except 1117(e)) 1118, and 1120 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
AUGUSTUS F. HAWKINS (solely for area C),
WILLIAM D. FORD (solely for areas A and D),
PHIL BURTON (solely for area B),
WILLIAM CLAY (solely for area C),
MARIO BIAGGI (solely for area C),
IKE ANDREWS (solely for areas A and C),
PAUL SIMON (solely for area D),
GEO. MILLER (solely for areas A and B),
AUSTIN J. MURPHY (solely for areas B and C),
TED WEISS (solely for area D),
BALTASAR CORRADA (solely for area A),
PETER PEYSER (solely for area D),
PAT WILLIAMS (solely for area B),
WILLIAM R. RATCHFORD (solely for area B),
DENNIS ECKART (solely for area D),
JOHN M. ASHBROOK (for all areas except B),
JOHN N. ERLENBORN (solely for areas A and D),
JAMES M. JEFFORDS (solely for areas A and C),
WILLIAM F. GOODLING (solely for area A),
E. THOMAS COLEMAN (solely for area D),
ARLEN ERDAHL (solely for area C),
THOMAS E. PETRI (solely for area C),
LAWRENCE J. DENARDIS (solely for area D),

Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,

JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
CLAIBORNE PELL,
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of title V, subtitle C, chapter 2, subchapter A of the House bill and title I, part G of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
GEO. MILLER,
BALTASAR CORRADA,
JOHN M. ASHBROOK,
BILL GOODLING,
JAMES M. JEFFORDS,
LARRY E. CRAIG,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
RICHARD G. LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY,
EDWARD ZORINSKY,
Managers on the Part of the Senate.

Solely for consideration of title V, sections 5114 and 5133, and of the House bill and title X, section 1002 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
IKE ANDREWS,
JOHN M. ASHBROOK,
THOMAS E. PETRI,
BALTASAR CORRADA,
PAT WILLIAMS,
HAROLD WASHINGTON,
For all provisions except section 5114:
E. THOMAS, COLEMAN,
WENDELL BAILEY,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES MC C. MATHIAS, Jr.,
PAUL LAXALT,
J. R. BIDEN, Jr.,
DENNIS D. DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of section 1104–5(a)(2) and (b)(9) of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
PHIL BURTON,
JOSEPH M. GAYDOS,
GEORGE MILLER,
RAY KOGOVSEK.
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH L. DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH.
From the Committee on Labor and Human Resources:
CALIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, subtitle C, chapter 1, subchapters A and D; title XV, subtitle C, chapters 4 and 5 of the House bill and title VII, part I;. title XI, part D, subparts 2 and 3 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
IKE ANDREWS,
BALTASAR CORRADA,
PAT WILLIAMS,
JOHN M. ASHBROOK.
For title V, subtitle C, chapter 1, subchapter A and title XV, subtitle C, chapter 5 of the House bill and title VII, part I and title XI, part D, subpart 3 of the Senate amendment:
MARIO BIAGGI,
AUSTIN J. MURPHY,
ARLEN ERDAHL.
For title V, subtitle C, chapter 1, subchapter D and title XV, subtitle C, chapter 4 of the House bill and title XI, part D, subpart 2 of the Senate amendment:
AUGUSTUS F. HAWKINS,
WILLIAM CLAY.
From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J. J. PICKLE,
C. B. RANGEL,
PETE STARK,
ANDREW J. JACOBS,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT.
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
PHILIP R. SHARP,
J. J. FLORIO,
J. H. SCHEUER,
TOBY MOFFETT.
From the Committee on Energy and Commerce:
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,

CARLOS J. MOORLEAD,
Managers on the Part of the House.

From the Committee on Finance:
ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE.
From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS.
From the Committee on the Judiciary:
STROM THURMOND,
CHARLES McC. MATHIAS, Jr.,
PAUL LAXALT,
Managers on the Part of the Senate.

Solely for consideration of title XV, sections 15427, 15428, and 15429, subtitle E of the House bill and title VII, sections 757, 758, and 759 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
JOHN M. ASHBROOK.
For all matters except title XV, subtitle E of the House bill:
AUGUSTUS F. HAWKINS,
WILLIAM CLAY,
IKE ANDREWS,
BALTASAR CORRADA,
PAT WILLIAMS,
JAMES JEFFORDS.
For title XV, subtitle E of the House bill:
PHIL BURTON,
JOSEPH M. GAYDOS,
GEO. MILLER,
RAY KOGOVSEK.
From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,

GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Finance:
ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
HARRY F. BYRD, Jr.,
Managers of the Part of the Senate.

Solely for the consideration of section 5397 of the House bill.

From the Education and Labor Committee:
CARL D. PERKINS,
PHIL BURTON,
GEO. MILLER,
PAT WILLIAMS,
WILLIAM R. RATCHFORD.
From the Post Office and Civil Service Committee:
WILLIAM D. FORD,
PAT SCHROEDER,
GERALDINE A. FERRARO,
MARY ROSE OAKAR,
WILLIAM CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BENJAMIN A. GILMAN,
TOM CORCORAN,
Managers on the Part of the House.

From the Labor and Human Resources Committee for matters within their jurisdiction:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, sections 5130 and 5131 of the House bill.

From the Committee on Education and Labor:
CARL D. PERKINS,
WILLIAM D. FORD,
JOHN M. ASHBROOK,
JOHN N. ERLENBORN.

For section 5130 of the House bill:
IKE ANDREWS,
GEO. MILLER,
BALTASAR CORRADA,
BILL GOODLING,
JAMES M. JEFFORDS.
For section 5131 of the House bill:
PAUL SIMON,
PETER A. PEYSER,
DENNIS ECKART,
LAWRENCE J. DENARDIS,
Managers on the Part of the House.

From the Select Committee on Indian Affairs:
BILL COHEN,
MARK ANDREWS,
SLADE GORTON,
JOHN MELCHER,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 15, subtitle E, chapter 1 (except subchapter I, and (in section 6531(a)) paragraph (1) and the first sentence following paragraph (5) of the proposed new section 17), and subtitle E, chapter 2, subchapter C of the House bill, and title IV, parts A, B, and E and sections 421, 422, and 423 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,

DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title VI, sections 6102 and 6103 and subtitle C, of the House bill, and title V, subtitle D, part 3 and subtitle G of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 2 (except section 6212) and chapter 11, subchapter A of the House bill, and title VII, parts C and D of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,

JOHN H. CHAFEE,
Managers on the Part of the Senate.

Solely for the consideration of title VI, subtitle E, chapter 2, subchapters A and B of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapters 1, 3, 4, (except subchapter 3), 5–10, 12, 13, and 14, and subtitle E, chapter 1, subchapter I, of the House bill, and title XI, part A (except sections 1101–4, 1104–5(a)(2) and (b)(9), 1101–8(16) through (19), and 1101–12), part E, and section 1163 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,

CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 4, subchapter B of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SHEUER,
TOBY MOFFETT,
Managers on the Part of the House.

JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT
EDWARD MADIGAN,
CARLOS J. MOORHEAD·

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES McC. MATHIAS, Jr.,
PAUL LAXALT,
J. R. BIDEN, Jr.,
DENNIS DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of sections 8004 (except the proviso at lines 2 through 24 on page 381 of the House engrossed bill) and 8010 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,

TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
BENNETT J. JOHNSON,
Managers on the Part of the Senate.

Solely for consideration of section 8009 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of section 8005 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,

J. J. FLORIO,
JAMES H. SCHEUER,
ANTHONY TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHIL BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, JR.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN, JR.,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,
Managers on the Part of the House.

From the Select Committee on Indian Affairs:
WILLIAM S. COHEN,
MARK ANDREWS,
SLADE GORTON,
Managers on the Part of the Senate.

Solely for consideration of section 6101 and the proviso in section 8004 (lines 2 through 24 on page 381) of the House bill, and title V, subtitle D, parts 1 and 2 (except sections 534-11(a)(1)(A) and (G), 534-12(a)(1)(A), and 534-13(c), (e), (h), and (i)) of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
NORMAN F. LENT,
EDWARD MADIGAN
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,

MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of the sentence following paragraph (5) of the proposed new section 17 in section 6531(a) of the House bill, and section 427 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of paragraph (1) of the proposed new section 17 in section 6531(a) of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER
HENRY A. WAXMAN,

T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
CARROL HUBBARD,
GERRY STUDDS,
GENE SNYDER, (Gene Snyder for myself and Mr. Forsythe with his consent),
PAUL MCCLOSKEY,
JOEL PRITCHARD,
Managers on the Part of the House.

Solely for consideration of title VI, subtitle C, part B of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL.
Managers on the Part of the Senate.

Solely for the consideration of section 10003 and subtitle D, chapter 6 of title XV of the House bill.

From the Energy and Commerce Committee:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
CARLOS J. MOORHEAD,
From the Post office and Civil Service Committee:
WILLIAM D. FORD,
PATRICIA SCHROEDER,
GERALDINE A. FERRARO,
MARY ROSE OAKAR,
WILLIAM CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BENJAMIN A. GILMAN,
TOM CORCORAN.

From the Ways and Means Committee:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,

Managers on the Part of the House.

From the Finance Committee:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
RUSSELL B. LONG,
HARRY F. BYRD, Jr.,

Managers on the Part of the Senate.

Solely for consideration of title VI, section 6212 and subtitle D, chapter 11, subchapters B and C, and title XV, sections 15600, 15602, 15614-16, 15622-24, 15631, 15632, 15633, and 15634 and subtitle D, chapter 5, of the House bill, and title VII, sections 711, 712, 714, 715, 716, 718, 719, 720, 720A-720G, and 729 of the Senate Amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Way and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
C. B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,

JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
RUSSELL B. LONG,
HARRY F. BYRD, Jr.,
Managers on the Part of the Senate.

Solely for consideration of title VII (except sections 7001(12), 7002(10), and 7003(9)) of the House bill and title VIII of the Senate amendment.

From the Committee on Foreign Affairs:
CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
DANTE B. FASCELL,
BENJAMIN S. ROSENTHAL,
LEE H. HAMILTON,
JONATHAN BINGHAM,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
PAUL FINDLEY,
LARRY WINN, Jr.

From the Committee on the Budget:
L. PANETTA,
Managers on the Part of the House.

From the Committee on Foreign Relations:
CHARLES PERCY,
CHARLES McC. MATHIAS, Jr.,
NANCY LANDON KASSEBAUM,
CLAIBORNE PELL,
J. R. BIDEN, Jr.,
Managers on the Part of the Senate.

Solely for consideration of title XVI of the House bill and sections 905 and 906 of the Senate amendment

From the Committee on Government Operations:
JACK BROOKS,
L. H. FOUNTAIN,
DANTE B. FASCELL,
BEN ROSENTHAL,
DON FUQUA,
JOHN CONYERS,
FRANK HORTON,
JOHN N. ERLENBORN,
CLARENCE J. BROWN,

PAUL MCCLOSKEY,
Managers on the Part of the House.

From the Committee on Governmental Affairs:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON,
DAVID PRYOR,
Managers on the Part of the Senate.

Solely for consideration of sections 8001, 8003, 8006, 8011, and 8012 of the House bill and title V, subtitles A, C, F, and H of the Senate amendment.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHIL BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN, Jr.,
DON YOUNG,
ROBT. J LAGOMARSINO,
DAN MARRIOTT.
From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
BENNETT J. JOHNSTON.
From the Committee on Environment and Public Works (solely for consideration of section 8003 and 8006 of the House bill and title V, subtitle C of the Senate amendment):
JIM ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,

STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of section 8008 of the House bill.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHILLIP BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,
Managers on the Part of the House.

From the Select Committee on Indian Affairs:
WILLIAM S. COHEN,
MARK ANDREWS,
SLADE GORTON,
JOHN MELCHER,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title X (except section 1002) of the Senate amendment.

From the Committee on the Judiciary:
PETER W. RODINO,
BOB KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE DANIELSON,
R. L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
CALDWELL BUTLER,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES MCC. MATHIAS, Jr.,
PAUL LAXALT,
J. R. BIDEN, Jr.,
DENNIS DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of section 1137 of the Senate amendment.

From the Committee on the Judiciary:
PETE W. RODINO,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE E. DANIELSON,
ROMANO L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
M. CALDWELL BUTLER,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of sections 13016 and 13017 of the House bill.

From the Committee on the Judiciary:
PETE W. RODINO,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE E. DANIELSON,
ROMANO L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
M. CALDWELL BUTLER,
From the Committee on Small Business:
PARREN J. MITCHELL,
NEAL SMITH,
HENRY GONZALEZ,
JOHN J. LAFALCE,
BERKLEY BEDELL,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
PAUL LAXALT,
J. R. BIDEN, Jr.
From the Committee on Small Business:
LOWELL P. WEICKER, Jr.,

RUDY BOSCHWITZ,
S. I. HAYAKAWA,
DALE BUMPERS,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle A of the House bill and section 426 of the Senate amendment.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS,
CARROLL HUBBARD,
GERRY STUBBS,
GENE SNYDER,
PAUL N. MCCLOSKEY, Jr.,
EDWIN B. FORSYTHE,
JOEL PRITCHARD,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle C; and title XI, subtitle B, chapter 4 of the House bill.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS,
CARROLL HUBBARD,
GERRY E. STUDD,
GENE SNYDER,
PAUL MCCLOSKEY,
EDWIN B. FORSYTHE,
JOEL PRITCHARD.
From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,

JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle B of the House bill and section 1101–4 of the Senate amendment.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS
CARROLL HUBBARD
GERRY STUDDS,
GENE SNYDER
PAUL MCCLOSKEY
EDWIN B. FORSYTHE,
JOEL PRITCHARD.
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,

EDWARD M. KENNEDY,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for the consideration of title X (except section 10003) of the House bill and sections 901–903 of the Senate amendment.

From the Post Office and Civil Service Committee:
WILLIAM D. FORD,
PATRICIA SCHROEDER,
GERLADINE A. FERRARO,
MARY ROSE OAKAR,
WM. CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BEN GILMAN,
TOM CORCORAN,
Managers on the Part of the House.

From the Governmental Affairs Committee:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON,
D. PRYOR,
Managers on the Part of the Senate.

Solely for consideration of title XI, subtitle A, chapter 1 and sections 11022 (except those provisions relating to the Federal Highway Administration Highway Safety Programs) and 11023 of the House bill, and sections 424, 425, and 431–437 of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,

HOWARD W. CANNON,
DANIEL K. INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title XI, section 11021, section 11022 (to the extent relating to the Federal Highway Administration Highway Safety Program), subtitle 3, chapters 1, 2, and 3, and subtitle C of the House bill, and title VI, subtitle A, subtitle B, part A, subtitle C, part A, and subtitles D, E, and F of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title XI, subtitle A, chapter 3 of the House bill, and title III, part B of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:
JAKE GARN,

JOHN HEINZ,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

Solely for consideration of title XII of the House bill, and sections 534-11(a)(1)(A) and (G), 534-12(a)(1)(A), and 534-13(c), (e), (h), and (i) of the Senate amendment.

From the Committee on Science and Technology:
DON FUQUA,
ROBERT A. ROE,
TOM HARKIN,
MARILYN BOUQUARD,
DAN GLICKMAN,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 1101-12 of the Senate amendment.

From the Committee on Science and Technology:
DON FUQUA,
DOUG WALGREN,
GEORGE F. BROWN, Jr.,
BOB SHAMANSKY,
STAN LUNDINE,
MERVYN M. DYMALLY,
LARRY WINN, Jr.,
MARGARET M. HECKLER,
VIN WEBER,
JUDD GREGG,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title XIII (except sections 13016 and 13017) of the House bill and title XII of the Senate amendment.

From the Committee on Small Business:
PARREN J. MITCHELL,
NEAL SMITH,
HENRY GONZALEZ,
JOHN J. LAFALCE,
BERKLEY BEDELL,
JOSEPH M. MCDADE,
WM. S. BROOMFIELD,
DAN MARRIOTT,
LYLE WILLIAMS,
Managers on the Part of the House.

From the Committee on Small Business:
LOWELL P. WEICKER,
RUDY BOSCHWITZ,
S. I. HAYAKAWA,
SAM NUNN,
DALE BUMPERS,
Managers on the Part of the Senate.

Solely for consideration of title XIV of the House bill and title XIII of the Senate amendment.

From the Committee on Veterans' Affairs:
G. V. MONTGOMERY,
DON EDWARDS,
BOB EDGAR,
SAM B. HALL, Jr.,
MARVIN LEATH,
JOHN PAUL HAMMERSCHMIDT,
MARGARET M. HECKLER,
CHALMERS P. WYLIE,
HAROLD S. SAWYER,
Managers on the Part of the House.

From the Committee on Veterans' Affairs:
ALAN K. SIMPSON,
BOB KASTEN,
FRANK H. MURKOWSKI,
ALAN CRANSTON,
JENNINGS RANDOLPH,
Managers on the Part of the Senate.

Solely for consideration of title XV, subtitles A and B, subtitle C (except chapters 4 and 5), and sections 15601, 15611-13, 15621, 15625, 15633, 15635, and 15636 of the House bill, and title VII, part A (except sections 711, 712, 714, 715, 716, 718, 719, 720, 720A-720G, and 729), part E, part F (except sections 757, 758, and 759), and parts G, H, and J of the Senate amendment.

From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,

J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

For consideration of the entire House bill and Senate amendment (including sections 1 and 2 of the House bill and section 1 of the Senate amendment).

From the Committee on the Budget:
JAMES R. JONES,
NORMAN Y. MINETA,
STEPHEN J. SOLARZ,
LEON E. PANETTA,
RICHARD A. GEPHARDT,
LES ASPIN,
DELBERT L. LATTA,
RALPH REGULA,
BUD SHUSTER,
BOBBI FIEDLER,
Managers on the Part of the House.

From the Committee on the Budget:
PETE V. DOMENICI,
RUDY BOSCHWITZ,
ERNEST F. HOLLINGS,
LAWTON CHILES,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3982) entitled, "An Act to Provide for Reconciliation Pursuant to Section 301 of the First Concurrent Resolution on the Budget for Fiscal Year 1982," submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment.

The joint statement of managers which follows was prepared by the Committees on Jurisdiction, but is arranged by title of the conference agreement. A brief overview by the Committees on the Budget appears at the beginning.

STATEMENT OF BUDGET COMMITTEE MANAGERS

By approving the First Budget Resolution for Fiscal Year 1982, which included reconciliation instructions, Congress continued and expanded its efforts to maintain control over Federal expenditures. Those reconciliation instructions directed fourteen Senate and fifteen House committees to report legislation achieving uprecedented reductions which impact on Federal spending during fiscal years 1981, 1982, 1983 and 1984.

The provisions of the Omnibus Budget Reconciliation Act of 1981 are the culmination of the work of the committees in complying with the reconciliation directives. Real savings have been achieved which compare favorably with the reconciliation bills as passed by the House and Senate.

The managers for the Committees on the Budget wish to acknowledge the extraordinary efforts of the conference participants, particularly the chairmen and ranking Members of the House and Senate committees, in achieving these savings.

What follows in this statement of managers is a title by title explanation of the conference agreement. This explanation has been prepared by the committees which determined the provisions of the conference agreement which are in their separate jurisdictions.

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

SUBTITLE A—FOOD STAMP PROGRAM REDUCTIONS AND OTHER REDUCTIONS IN AUTHORIZATIONS FOR APPROPRIATIONS

PART 1—FOOD STAMP PROGRAM REDUCTIONS

(1) Family unit requirement

The House bill requires .that, in order to be considered a food stamp household, groups of individuals must constitute and "economic unit" (sharing living expenses) as well as purchase and prepare food in common.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(2) Drug addiction and alcoholic treatment programs.

The Senate amendment eliminates food stamp eligibility for residents of drug addiction and alcoholic treatment and rehabilitation programs and removes from the Food Stamp Act provisions recognizing these programs as eligible to accept food stamp coupons for meals served to these residents. The Senate amendment also deletes the work registration exemption for resident and non-resident participants of those programs.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(3) Gross income eligibility standard

The House bill restricts program eligibility to households with gross monthly income at or below 130 percent of the applicable Federal poverty level.

The Senate amendment is the same except that it exempts households with elderly or disabled members from this new gross income test. The income standards of eligibility for these households would continue to be based on net (rather than gross) income at 100 percent of the applicable Federal poverty levels, as under existing law.

The Conference substitute adopts the Senate provision.

(4) *Adjustment of deductions*

(a) While both the House bill and the Senate amendment require that home ownership costs be factored out of the Consumer Price Index (CPI) used to calculate inflation adjustments to the standard deduction and the ceiling on shelter/dependent care expense deductions, the Senate amendment requires that the index be adjusted by Bureau of Labor Statistics after consultation with the Secretary of Agriculture.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(b) The House bill retains annual inflation adjustments each January in levels of the standard deduction and the ceiling on dependent care/excess shelter deductions reflecting inflation through the preceding September.

The Senate amendment holds the amount of the standard deduction and the ceiling on dependent care/excess shelter expense de-

ductions at 1981 levels through June 30, 1983. On July 1, 1983, both deduction levels would be adjusted to reflect changes in the CPI for the 15 months ending on March 31, 1983. On October 1, 1984, both deduction levels would be adjusted to reflect changes in the CPI for the 15 months ending June 30, 1984. Thereafter, deduction levels would be adjusted each October 1 to reflect changes in the CPI for the 12 months ending the preceding June 30.

The Conference substitute adopts the Senate provision.

(5) Earned income deduction

The Senate amendment lowers the "earned income deduction" to 15 percent of household earnings. Existing law provides that 20 percent of a household's earned income be deducted from its gross income in computing net income and benefits.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment setting the "earned income deduction" at 18 percent of household earnings.

(6) Benefit reduction rates

The House bill increases the food stamp "benefit reduction rate" to 31.5 percent in fiscal year 1983 and 32.5 percent in fiscal year 1984 and later years. The "benefit reduction rate" (now set at 30 percent) determines the proportion of a household's net income that is subtracted from food stamp maximum benefits in order to determine a household's actual monthly benefit.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(7) Bilingual requirements

The Senate amendment deletes the Federal requirement that States use bilingual personnel and printed materials in areas where a substantial number of low-income persons speak a language other than English.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(8) Disqualification penalties for fraud and misrepresentation; improved recovery of overpayments; waiving and offsetting claims

(a) The Senate amendment expands the bases for disqualifying individuals by including the commission of any act that constitutes a violation of a State statute related to using, transferring, etc., food stamp coupons or authorization cards.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(b) The House bill retains the current penalties of 3 months disqualification after a determination by an administrative agency and 6 to 24 months disqualification upon a determination by a court.

The Senate amendment provides disqualification periods (for both administrative and court determinations) of: 6 months for the first determination, 1 year for the second, and permanent disqualification for the third. In addition, the Senate amendment prohibits any increase in benefits to a household with a disqualified member as a result of the disqualification.

The Conference substitute adopts the Senate provision.

(c) The Senate amendment requires the Secretary to promulgate regulations to ensure that information concerning disqualfied individuals is forwarded to the Secretary.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(d) While both the House bill and the Senate amendment require households with disqualified members to repay overissued benefits, the Senate amendment requires households to repay double the value of any overissuance deriving from fraud or misrepresentation.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(e) The House bill permits States to collect overissued benefits in nonfraud cases (which are not the result of State error) by reducing future allotments to the household, but only in cases and amounts as are reasonable considering the income and resources of the household as determined under regulations of the Secretary.

The Senate amendment requires States to collect overissued benefits in nonfraud cases (which are not the result of State error) by reducing future allotments to the household, but limits such collections to 10 percent of the monthly allotment or $10 per month, whichever results in faster collection. The Senate amendment also allows States to retain 25 percent of these collections.

The Conference substitute adopts the Senate provision.

(f) The Senate amendment gives the Secretary of Agriculture expanded authority to waive claims under the Food Stamp Act and to offset claims against amounts due to States.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(9) Puerto Rico

(a) While both the House bill and the Senate amendment convert the food stamp program in Puerto Rico into an $825 million per year food assistance block grant, the House bill makes the block grant conversion effective October 1, 1982.

The Senate amendment makes the conversion effective April 1, 1982.

The Conference substitute makes the block grant conversion effective July 1, 1982, and requires that the Commonwealth of Puerto Rico submit to the Secretary of Agriculture by April 1, 1982, its plan for carrying out the block grant in the last quarter of fiscal year 1982 and in fiscal year 1983 in order to be eligible to receive the block grant funds for those periods.

The nutritional assistance block grant that is provided for Puerto Rico by the Omnibus Reconciliation Act of 1981 is designed to permit the Commonwealth to make effective use of Federal assistance dollars. It is, therefore, the intent of the conferees to allow the government of the Commonwealth considerable latitude in formulating a plan under this section for provision of assistance to needy persons. In this regard, the Conferees understand that the requirement that assistance be provided to the most needy persons in the jurisdiction can in certain circumstances be satisfied by means other than an expenditure for direct food assistance. Thus, it would be permissible to employ a small proportion of the block

grant funds to finance projects that the government of the Commonwealth believes likely to improve or stimulate agriculture, food production, and food distribution (e.g., food cooperatives, local markets, or farming techniques) which will increase the self-sufficiency and nutritional standard of needy citizens residing in the Commonwealth. However, the conferees expect the Commonwealth to be able to demonstrate in the plan of operation to the Secretary's satisfaction that such projects are indeed directly related to improvements in the nutritional status of the needy.

(b) Additionally, from October 1981 through March 1982, the Senate amendment lowers the income eligibility limits in Puerto Rico to 55 percent of those used in the continental United States.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(10) Effective date for food stamp provisions

The Senate amendment provides that the amendments made to the Food Stamp Act of 1977, except as otherwise provided, shall be effective and implemented upon such dates as the Secretary of Agriculture may prescribe, taking into account the need for orderly implementation.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

PART 2—OTHER REDUCTIONS IN AUTHORIZATIONS FOR APPROPRIATIONS

(11) Agricultural and related programs; water and waste grants

The House bill establishes maximum limits on the amounts authorized to be appropriated and on outlays for the following designated programs of the Department of Agriculture during each of the fiscal years 1982, 1983, and 1984:

(a) For expenses involved in making indemnity payments to dairy farmers under the Act of August 13, 1968—

	1982	1983	1984
Authorizations	$200,000	$200,000	$200,000
Outlays	$187,000	$182,000	$179,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(b) For payments to States and possessions for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946—

	1982	1983	1984
Authorizations	$1,571,000	$1,651,000	$1,723,000
Outlays	$1,616,000	$1,688,000	$1,749,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(c) For grants in connection with rural water and waste disposal projects pursuant to section 306(a)(2) of the consolidated Farm and Rural Development Act and for development of plans for such projects pursuant to section 306(a)(6) of that Act—

	1982	1983	1984
Authorizations	$197,944,000	$211,404,000	$214,795,000
Outlays	$241,860,000	$205,653,000	$201,602,000

The Senate amendment limits authorizations for grants for rural water and waste disposal projects pursuant to section 306(a)(2) of the Consolidated Farm and Rural Development Act for fiscal year 1982 and each subsequent fiscal year to $100,000,000.

The Conference substitute adopts the Senate provision with an amendment to set the authorization at $154,900,000.

(d) For grants for rural community fire protection pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978—

	1982	1983	1984
Authorizations	$3,565,000	$3,821,000	$4,038,000
Outlays	$3,519,000	$4,039,000	$3,990,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(e) For grants for rural development planning pursuant to section 306(a)(11) of the Consolidated Farm and Rural Development Act—

	1982	1983	1984
Authorizations	$4,767,000	$4,959,000	$5,155,000
Outlays	$4,992,000	$5,522,000	$5,571,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(f) For grants for the development of private business enterprises in rural areas pursuant to section 310B(c) of the Consolidated Farm and Rural Development Act—

	1982	1983	1984
Authorizations	$5,007,000	$5,280,000	$5,553,000
Outlays	$9,069,000	$4,332,000	$4,741,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(g) For expenses for carrying out the programs administered by the Soil Conservation Service—

	1982	1983	1984
Authorizations	$558,875,000	$566,767,000	$572,865,000
Outlays	$586,586,000	$573,797,000	$576,006,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment increasing the authorization limit by $30 million for each of the 3 years and deleting the outlay ceilings.

(h) For expenses for carrying out the Agricultural Conservation Program under the provisions of the Soil Conservation and Domestic Allotment Act and the Agricultural Act of 1970—

	1982	1983	1984
Authorizations	$191,325,000	$199,647,000	$208,216,000
Outlays	$196,329,000	$195,471,000	$203,252,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment increasing the authorization limit by $10 million for each of the 3 years and deleting the outlay ceilings.

(i) For expenses for carrying out the experimental Rural Clean Water Program—

	1982	1983	1984
Authorizations	$19,811,000	$21,106,000	$22,104,000
Outlays	$11,325,000	$16,087,000	$19,468,000

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(j) For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives authorized in the Cooperative Forestry Assistance Act of 1978—

	1982	1983	1984
Authorizations	$13,090,000	$14,913,000	$16,314,000
Outlays	$13,730,000	$12,299,000	$13,679,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment increasing the authorization limit by $2 million for each of the 3 years and deleting the outlay ceilings.

(k) For expenses for carrying out the Water Bank Program pursuant to the Water Bank Act—

	1982	1983	1984
Authorizations	$9,876,000	$9,854,000	$9,813,000
Outlays	$9,396,000	$10,157,000	$9,995,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment increasing the authorization limit by $1 million for each of the 3 years and deleting the outlay ceilings.

(l) For expenses for carrying out the emergency conservation program under title IV of the Agricultural Credit Act of 1978—

	1982	1983	1984
Authorizations	$10,069,000	$10,507,000	$10,958,000
Outlays	$19,329,000	$14,612,000	$10,501,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the outlay ceilings.

(12) Bankhead-Jones Act

The House bill limits authorizations for appropriations to carry out the provisions of section 22 of the Bankhead-Jones Act to zero dollars for fiscal years 1982, 1983, and 1984.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(13) Forest Service

The House bill limits authorizations and outlays for expenses for forest research, State and private forestry, and National Forest System, with the limits established as follows:

FOREST RESEARCH

	1982	1983	1984
Authorizations	$123,346,000	$125,263,000	$126,882,000
Outlays	$126,016,000	$127,020,000	$127,779,000

STATE AND PRIVATE FORESTRY

	1982	1983	1984
Authorizations	$64,354,000	$65,355,000	$66,199,000
Outlays	$65,747,000	$66,272,000	$66,667,000

NATIONAL FOREST SYSTEM

	1982	1983	1984
Authorizations	$884,876,000	$898,631,000	$910,245,000
Outlays	$904,029,000	$911,240,000	$916,681,000

The provision further provides that the amounts authorized for the National Forest System shall include not less than $102,270,000 in fiscal year 1982, $105,943,000 in fiscal year 1983, and $109,847,000 in fiscal year 1984 for reforestation and timber stand improvement.

The House bill also limits authorizations and outlays for Forest Service expenses for construction and land acquisition for each of the fiscal years 1982, 1983, and 1984 as follows:

	1982	1983	1984
Authorizations	$372,999,000	$385,989,000	$397,687,000
Outlays	$397,194,000	$400,724,000	$399,921,000

This provision further provides, with respect to forest road construction, that authorizations for appropriations shall not exceed $185,940,000 for fiscal year 1982, $194,237,000 for fiscal year 1983, and $202,949,000 for fiscal year 1984.

The House bill further provides that none of the funds authorized for the National Forest System or for construction and land acquisition may be used for carrying out the Bald Mountain road and timber sale in the Siskiyou National Forest.

In addition the House bill limits authorizations for appropriations for Forest Service programs wholly or partially within the jurisdiction of the House Committee on Interior and Insular Affairs (involving certain permanent appropriations for Forest Service land acquisitions relating to erosion and flood damage in certain western forests) to not more than $1,081,000 for fiscal year 1982, $1,399,000 for fiscal year 1983, and $1,487,000 for fiscal year 1984.

The Senate amendment establishes a general cap on amounts authorized to be appropriated to the Secretary of Agriculture for programs within the forest research, State and private forestry, and National Forest System, Youth Conservation Corps, Timber Salvage Sales, Rangeland Improvements, other general appropriations, Forest Service permanent appropriations, and construction and operation of recreational facilities in amounts not exceeding $1,381,564,000 for fiscal year 1981, $1,320,878,000 for fiscal year 1982, $1,324,202,000 for fiscal year 1983, and $1,324,717,000 for fiscal year 1984.

The Conference substitute provides authorizations for appropriations in the aggregate for the items forest research, State and private forestry, National Forest System and construction and land acquisition, of $1,575,552,000 for fiscal year 1981; $1,498,000,000 for fiscal year 1982; $1,560,000,000 for fiscal year 1983; and $1,620,000,000 for fiscal year 1984. The Conference substitute also prohibits the use of any funds authorized to be appropriated for construction of the Bald Mountain road in the Siskiyou National Forest, but contains no such restriction with respect to the Bald Mountain timber sale.

The Conference substitute deletes all other provisions of the House bill and Senate amendment which set minimum and maximum spending levels (including outlays).

The conferees intend, in establishing the aggregate spending "cap" for Forest Service programs in forest research, State and private forestry, National Forest System and construction and land acquisition, that the allocation of monies to these programs will be done in a fair and equitable manner in accordance with existing law, including the Forest and Rangeland Renewable Resources Planning Act of 1974.

The conferees understand that the prohibition on the Bald Mountain road will not reduce the timber volume offered for sale on the Siskiyou National Forest. Timber that would have been accessed by the construction of the road shall remain available for harvest by other means. Additional sales shall be offered elsewhere on the Sis-

kiyou National Forest should there be any reduction in timber available for harvest as a consequence of this action.

(14) Alcohol fuel

The Senate amendment reduces the authorization for appropriations to the Secretary of Agriculture for biomass energy development activities under the Biomass Energy and Alchol Fuel Act of 1980 from $600 million to $460 million plus an additional amount of $20 million authorized in section 519 of the Senate bill.

In addition, the Senate amendment reduces the authorization for appropriations to the Secretary of Agriculture for biomass energy and alcohol fuel programs under the Biomass Energy and Alcohol Fuel Act of 1980 to no more than $10,000,000 for fiscal year 1981 and to zero dollars for fiscal year 1982, 1983, and 1984.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment setting the authorization level for the Secretary of Agriculture at $460 million. (The Conference substitute provision can be found in section 1061 of the bill.)

(15) Assistance to land-grant colleges

The Senate amendment provides that authorizations for appropriations to land-grant colleges under the Act of August 30, 1980 ("Second Morrill Act") or any other similar provision of Federal law providing assistance to land-grant colleges shall not exceed $2.8 million for each of the fiscal years 1981, 1982, and 1983.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the provision to fiscal year 1984 and make clear that the reference to the other similar provision of Federal law was solely to the Act of March 4, 1907 (34 Stat. 1281 and 1282).

(16) Public Law 480 interest rates and appropriations limits

(a) The Senate amendment increases the minimum interest rates on Public Law 480 title I loans from the present 2 percent per annum during the grace period and 3 percent thereafter, to 4 percent and 6 percent respectively (but not for any repayments that may be required under a title III agreement). The Senate amendment also makes certain conforming changes in Public Law 480 consistent with an interest rate increase.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

Adoption of the Conference substitute allows time for additional review of the entire Public Law 480 issue, including the issue of interest rate levels. The House Foreign Affairs Committee has requested an Executive Branch study on Public Law 480 by December 31, 1981, including the potential for using terms and interest rates on title I loans as incentives for developmental use of Public Law 480. House and Senate committees have expressed their intention to hold hearings on the subject. The Conference action will thus allow for careful review of these important matters without prejudice to eventual congressional action.

(b) The House bill in title I limits authorizations of appropriations and outlays for Public Law 480 as follows: for fiscal year 1982, appropriations of $1,304,836,000 and outlays of $1,311,557,000;

for fiscal year 1983, appropriations of $1,354,844,000 and outlays of $1,355,966,000; and for fiscal year 1984, appropriations of $1,424,982,000 and outlays of $1,415,849,000.

The House bill in title VII places ceilings on the total Public Law 480 program of $1,856,400,000 in fiscal year 1982, $1,949,000,000 in fiscal year 1983, and $2,071,600,000 in fiscal year 1984. The program ceiling covers Public Law 480 funding both from appropriations, and from loan reflows and carryover from prior years.

The Senate amendment places ceilings on appropriations for Public Law 480 of $1,362,000,000 in fiscal year 1982, $1,193,000,000 in fiscal year 1983, and $1,252,000,000 in fiscal year 1984.

The Conference substitute places ceilings on appropriations for Public Law 480 of $1,304,836,000 for fiscal year 1982, $1,320,292,000 for fiscal year 1983, and $1,402,278,000 for fiscal year 1984.

PART 3–DEPARTMENT OF AGRICULTURE PERSONNEL

(17) Establishment of personnel ceiling

The House bill limits the amounts authorized to be appropriated for salaries and expenses for administering the programs of the following agencies, offices, and functions of the Department of Agriculture to not more than $1,348,032,000 for fiscal year 1982, $1,364,186,00 for fiscal year 1983, and $1,419,352,000 for fiscal year 1984:

Office of the Secretary, offices funded under the account "Department Administration", activities funded under the account "Governmental and Public Affairs", Office of the Inspector General, Office of the General Counsel, Federal Grain Inspection Service, Animal and Plant Health Inspection Service, Food Safety and Quality Service, Economics and Statistics Service, Agricultural Cooperative Service, World Food and Agricultural Outlook and Situation Board, Agricultural Marketing Service, including the Transportation Office, Agricultural Stabilization and Conservation Service, Federal Crop Insurance Corporation, Farmers Home Administration, Rural Electrification Administration, and Office of International Cooperation and Development.

The Senate amendment establishes a ceiling on the total number of employees that the Department of Agriculture can employ during each of the fiscal years 1982, 1983, and 1984. This ceiling fixes the total personnel level at no more than 118,360 full-time equivalent staff years for each of the specified fiscal years. This provison includes all of the agencies, offices and functions listed in the House bill plus the Food and Nutrition Service, Foreign Agricultural Service, Forest Service, Science and Education Administration, and Soil Conservation Service.

The Conference substitute adopts the Senate provision with an amendment to change the ceiling to 117,000 staff years and to specifically include overtime within the ceiling.

SUBTITLE B—REDUCTION IN DIRECT SPENDING

PART 1—COMMODITY CREDIT CORPORATION PROGRAMS

(1) Milk Price Support

The House bill amends section 201 of the Agricultural Act of 1949 to provide that for the period October 1, 1981, through September 30, 1985, the price of milk for each marketing year would be supported at a minimum level of 75 percent of parity. The details of the House provision are as follows:

(a) The minimum support level would on a sliding scale between 75 percent of parity and a ceiling of 90 percent of parity based upon projected purchases of surplus milk products by the government for the marketing year. As projected acquisitions decline, the minimum support level would increase.

(b) If the Secretary determines that the inventory on hand at the end of the marketing year exceeds 500 million pounds of nonfat dry milk, or 5.5 billion pounds milk equivalent of butter or cheese, the support price is fixed at the minimum level indicated by the schedule, and the Secretary would not have discretion to establish a support level higher than that minimum.

(c) If there were increases in dairy product import quotas during the marketing year the support price is required to be redetermined by reducing the final estimate of net government purchases by the equivalent of the increased imports.

(d) No semiannual adjustment would be made in the marketing year beginning October 1, 1981. Semiannual adjustments, however, are required during the period beginning October 1, 1982, through September 30, 1985 to reflect estimated changes in the parity index during the semiannual period. If, however, purchases are being made at an annual rate exceeding 5.5 billion pounds milk equivalent (butterfat basis) or 500 million pounds of nonfat dry milk, the support price need not be adjusted except as necessary to prevent a support price of less than 75 percent of parity at the beginning of the semiannual period.

(e) The Secretary must notify in writing the Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry and the Chairman of the House Committee on Agriculture of the Secretary's decision and the reasons therefor 30 days prior to the effective date of the support level for the marketing year and each semiannual adjustment therein.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. The conferees recognize that this action is being taken as an interim measure and that the support price for milk will need to be reconsidered along with the support price for other commodities during consideration of the farm bill in order to meet the budget targets in the concurrent budget resolution for the fiscal year ending September 30, 1982.

(2) Farm Storage Facility Loans

The Senate amendment makes the farm storage facility loan program discretionary with the Secretary of Agriculture after September 30, 1981.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. In doing so, the conferees intend that the Secretary shall continue to make the farm storage facility loan program available in storage deficit areas.

(3) Reduction in CCC Administrative Expense Limitation

The House bill provides that not more than $52,000,000 in Commodity Credit Corporation funds shall be available for administrative expenses of the Commodity Credit Corporation for fiscal year 1982.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(4) Elimination of Interest Waiver on 1980 and 1981 Grain Placed in Farmer Reserve

(a) The House bill deletes the requirement that the Secretary waive interest on loans made on the 1980 and 1981 crops of wheat and feed grains placed in the farmer-held reserve.

The Senate amendment deletes the interest waiver requirement on 1980 and 1981 crops of wheat and feed grains placed in the farmer-held reserve but requires a waiver of interest on any crop of wheat or feed grains during any period that the commercial export sale of such commodities to any country or area has been suspended by the President or other member of the executive branch of the government if, during such period, the United States otherwise continues commercial trade with such country or area.

(b) The House bill provides that producers of 1981 crop wheat and feed grains shall have the option to obtain a price support loan under the farmer-held reserve program immediately after such grain is harvested.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House and Senate provisions in view of the enactment of Public Law 97-24 which eliminates the interest waiver on 1980 and 1981 grains placed in the farmer-held reserve.

PART 2—COMMODITY INSPECTION FEES

(5) Grain inspection and weighing

Both the House bill and the Senate amendment contain similar provisions regarding the imposition of user fees to cover the cost of services of the Federal Grain Inspection Service, including administrative and supervisory expenses, related to inspection and weighing under the Federal Grain Inspection Act.

(a) The House bill makes the provisions effective for the period October 1, 1981, through September 30, 1984.

The Senate amendment makes the provisions effective October 1, 1981, but does not provide any termination date.

The Conference substitute adopts the House provision.

(b) The House bill limits the total administrative and supervisory costs for inspection and weighing (excluding standardization, compliance, and foreign monitoring activities) to 35 percent of the total costs for such activities.

The Senate amendment limits the total administrative and supervisory costs for inspection and weighing (without the exclusion

provided in the House bill) to 30 percent of the total cost for providing the inspection and weighing services.

The Conference substitute adopts the House provision.

(c) The House bill authorizes appropriations for monitoring in foreign ports of grain officially inspected and weighed under the Act.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(6) Cotton classing and related services

(a) While both the House bill and the Senate amendment amend section 5 of the United States Cotton Standards Act, by providing that the Secretary shall collect fees and charges for functions performed under sections 3, 4 and 6 of the Act, and provide how such collected funds may be expended, the House bill provides that such funds shall be available to pay the expenses of the Secretary incident to providing services not only under the Cotton Standards Act and the Cotton Futures Act but also the Cotton Statistics and Estimates Act.

The Senate amendment contains no comparable provision relating to the Cotton Statistics and Estimates Act.

The Conference substitute adopts the Senate provision.

(b) The House bill amends section 3a of the Cotton Statistics and Estimates Act (the Smith-Doxey amendment) to provide that user fees collected under sections 3a and 3d of that Act may be deposited in an interest bearing account with a financial institution.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

The Conference substitute provides for the Department to collect user fees directly from participating producers. The conferees recognize that in some cases the producer and the sampling agent or other third party may find it more feasible to have the Department bill such agent or other third party for the service and subsequently be reimbursed by the producer. It is the conferees' intent that such a procedure be allowed only in those cases where the procedure is mutually agreeable between the producer and the sampling agent or other third party.

In the administration of the various amendments provided in the Conference report relating to cotton classing and related services, it is the obligation of the Secretary to ensure that the universal cotton standards system is preserved and that the government cotton classification system continues to operate so that the United States cotton crop is provided an official quality description. Accordingly, it is the intent of the conferees that the Secretary shall provide a program that will result in reasonable fees for producers to ensure the continued participation of producers in the cotton classing program. To this end during fiscal years 1982–1984, the Secretary's net estimate cost of cotton classification must be based on 97 percent of the number of running bales to be produced from such crop as determined by the Secretary.

(c) The House bill provides that the amendments to the United States Cotton Standards Act and the United States Cotton Futures Act shall become effective October 1, 1981.

The Senate amendment makes those provisions effective July 1, 1981.

The Conference substitute adopts the House provision.

Tobacco inspection and related services

The House bill amends the Tobacco Inspection Act to provide for the imposition of user fees for tobacco inspection and related services effective October 1, 1981.

The Senate amendment contains the same provisions for user fees but makes them effective July 1, 1981.

The Conference substitute adopts the House provision.

(8) Warehouse examination, inspection, and licensing

(a) The House bill provides that user fees collected for warehouse examination, inspection and licensing activities under the United States Warehouse Act may be deposited by the Secretary in an interest bearing account with a financial institution.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(b) The amendments to the United States Warehouse Act provided in the House bill would become effective upon enactment.

The Senate amendment provides for the amendments to the United States Warehouse Act to become effective October 1, 1981.

The Conference substitute adopts the Senate provision.

(9) Naval stores inspection and related services

The House bill repeals the Naval Stores Act effective upon the date of enactment of the bill. Inspection, grading and standardization of naval stores products (spirits of turpentine and rosin) would be continued on a cost recovery basis under the Agricultural Marketing Act of 1946.

The Senate amendment amends the Naval Stores Act to require user fees for the establishment of standards and for examinations, analyses, classifications, and other services under the Act to cover the cost of providing such services and standards, including administrative and supervisory costs. Such fees and charges would be collected from processors and warehousers of naval stores. Fees and charges when collected would be available without fiscal year limitation to defray the cost incurred by the Secretary under the Act.

The Conference substitute adopts the Senate provision.

PART 3—FARMERS HOME ADMINISTRATION PROGRAMS

(10) Water and waste disposal and community facility loans

The House bill increases the interest rates on loans (other than guaranteed loans) to public bodies and nonprofit associations for water and waste disposal facilities and essential community facilities from the current maximum of 5 percent per annum to rates set by the Secretary of Agriculture but not to exceed the current market yield for outstanding municipal obligations of comparable maturities, adjusted to the nearest one-eighth of 1 percent. The House bill provides, however, that the rate shall not exceed 5 percent per annum for any such loans which are for the upgrading or construction of facilities as required to meet health or sanitary standards in areas where the median family income of persons to be served by the facility is below the poverty line and in other areas as the Secretary may provide where a significant percentage

of the persons to be served by the facility are of low income, as determined by the Secretary.

The Senate amendment increases the interest rates on these loans to rates as determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding municipal obligations of comparable maturities, less 3 percentage points, adjusted to the nearest one-eighth of 1 percent.

The Conference substitute adopts the House provision.

In administration of the FmHA water and waste disposal loan and grant programs, the conferees intend that the Secretary should implement a project selection system which provides for at least an annual review of pending loan and grant applications and the establishment of priorities for those applications based on the following criteria: percentage of low income population to be served, severity of the threat to health, and size of community with priority to the smallest communities. In addition, because of the significant reductions in loan and grant funds for these programs, it is the intent of the conferees that the Secretary employ at least 75 percent of all grant funds for water and waste systems serving communities in which a significant percentage of the persons to be served are of low income, as determined by the Secretary.

(11) Farm ownership and operating loans to low income, limited resource borrowers

(a) The House bill provides that interest rates on farm ownership and operating loans to low income, limited resource borrowers shall be as determined by the Secretary of Agriculture, but not in excess of one-half of the current average market yield on outstanding marketable obligations of the United States of comparable maturities and not less than 5 percent per annum.

The Senate amendment provides that the interest rates on these loans shall be rates as determined by the Secretary of Agriculture, not in excess of the current average market yields on outstanding marketable obligations of the United States of comparable maturities (plus not to exceed 1 percent), less 3 percentage points.

The Conference substitute adopts the House provision with respect to farm ownership loans and the Senate provision with respect to farm operating loans.

(b) The Senate amendment provides that not less than 15 percent of the insured loans authorized for farm ownership and farm operating purposes for fiscal year 1982 shall be for low income, limited resource borrowers.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment increasing to not less than 20 percent the portion of loans for low income, limited resource borrowers.

(12) Loans involving use of prime farmland

The House bill provides that the interest rates on certain loans (other than guaranteed loans) for activities that involve the use of prime farmland shall be 2 percent per annum higher than the rate that would be otherwise be applicable. The kinds of loans to which this provision applies include recreation loans or other loans needed to supplemnt farm income; loans for outdoor recreational enterprises or the conversion of farming or ranching operations to

recreational uses; small business enterprise loans; soil and water conservation loans; water and waste disposal facility loans; certain electric transmission loans; business and industrial loans; loans made jointly with other governmental agencies for private business enterprises; and recreation or other loans needed to supplement the farm income of low-income borrowers. The House bill also provides that, whenever practicable, construction by a State, municipality, or other political subdivision of local government supported by such loans shall be placed on land that is not prime farmland and that if the governmental authority nevertheless desires to carry out the construction on prime farmland, the 2 percent interest increase shall apply unless other options for locating the construction do not exist.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(13) Emergency (disaster) loans

(a) The House bill requires the Secretary to make emergency (disaster) loans available to applicants seeking assistance based on production losses if the applicant shows that a single enterprise that is a basic part of the applicant's farming, ranching, or aquaculture operation has sustained at least 20 percent loss of normal per acre or per animal production, as a result of the disaster, based upon the average monthly price in effect for the previous year, and the applicant otherwise meets eligibility requirements. Also, such loans are required to be made available based on 90 percent of the total calculated actual production loss sustained by the applicant.

The Senate amendment contains no comparable provision.

The Conference sustitute adopts the House provision with an amendment substituting 30 percent for 20 percent as the level of loss making an applicant eligible for assistance and 80 percent for 90 percent as the minimum amount of actual loss to be covered by the loan, and permitting the Secretary to relax these requirements. The new figures inserted reflect changes recently made through administrative action. The revised provisions were included in the bill to ensure that the program will not be further restricted by the Secretary. The conferees urge the Secretary to review the action he has taken in this matter.

(b) The Senate amendment provides that emergency loans shall be made and insured only to the extent and in such amounts as provided in advance in appropriations Act.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. This provision does not contemplate any change in the manner in which appropriation Acts have been providing for emergency loans, and it is intended that such Acts could continue to provide for emergency loans "in amounts necessary to meet the needs resulting from natural disasters".

(c) The Senate amendment provides that for emergency loans for the actual loss caused by the disaster, the interest rates shall be established by the Secretary of Agriculture, but (A) in the case of applicants who are not able to obtain sufficient credit elsewhere, not more than the rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of compa-

rable maturities, plus an additional charge of not to exceed one percent; and (B) in the case of applicants who are able to obtain sufficient credit elsewhere, not in excess of the rate prevailing in the private market for similar loans, as determined by the Secretary of Agriculture.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment establishing the rate of interest on loans to applicants who are unable to obtain sufficient credit elsewhere at not to exceed 8 percent.

The conferees expect the Secretary of Agriculture and the Administrator of the Small Business Administration to consult and establish substantially similar interest rates for disaster loans for businesses and agricultural producers. The interest rates approved by the conferees conform with those adopted by the conferees from the Small Business Committees with regard to interest rates for disaster assistance from the Small Business Adminstration. This was done to ensure that farmers must continue to seek disaster assistance first from the Farmers Home Administration pursuant to Public Law 96-302.

(14) Insured loan limits

The Senate amendment establishes limits for insured farm ownership and farm operating loans for fiscal year 1982 as follows:

—farm ownership loans: $700,000,000;

—farm operation loans: $1,325,000,000.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

PART 4—RURAL ELECTRIFICATION ADMINISTRATION PROGRAMS

(15) Rural Electrification Act amendments

(a) The Senate amendments establishes the interest rate for insured electric and telephone loans under the Rural Electrification Act at 5 percent per annum, except that the Administrator may make insured loans at a lesser rate, but not less than 2 percent, if the Administrator finds that the borrower has experienced extreme financial hardship or cannot, in accordance with generally accepted management and accounting principles and without charging rates to its customers or subscribers so high as to create a substantial disparity between such rates and those charged for similar services in the same or nearby areas by other suppliers, provide service consistent with the objectives of the Act.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the new interest rates applicable to loan applications received after July 24, 1981.

The conferees believe that borrowers should be required by the REA Administrator to initiate an energy conservation program within their area of distribution. The program should include such elements as assistance to consumers for weatherization and other energy conservation measures, improvement in loan management systems and similar energy conservation measures. The conferees recommend that the program be designed so as to provide identifi-

able energy savings on an annual basis and request that the Administrator evaluate the results annually.

Additionally, the conferees urge the REA Administrator to begin immediately to work with other Federal agencies within and outside the Department of Agriculture on research, development, demonstration, and consumer education programs appropriate to energy conservation in rural areas.

(b) The Senate amendment requires the Federal Financing Bank, on the request of any borrower, to make a loan that is guaranteed by the Administrator. The rate of interest on such loan shall be not more than the rate of interest applicable to other similar loans then being made or purchased by the Bank.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

TITLE II—ARMED SERVICES AND DEFENSE-RELATED PROGRAMS

Strategic and critical materials

The Senate bill contains a provision that would authorize the sale of all the silver from the strategic stockpile, subject to a presidential determination that silver in the stockpile is excess to defense needs.

The House amendment contains a provision that would authorize sales of various excess materials, including silver, from the strategic stockpile, authorize $2.14 billion for the acquisition of strategic and critical materials, and make improvements in stockpile management.

The conferees agree to adopt the provisions in the House amendment related to the authorization of sales of various excess materials, including silver, from the stockpile and to the improvements in stockpile management. The conferees agree to limit the authorization for the acquisition of strategic and critical materials to $535 million and to restrict the sale of silver subject to a presidential determination that silver in the stockpile is excess to defense needs.

The Senate recedes with amendments.

Open enrollment period for survivor benefit plan

The House amendment contains a provision that would authorize an open enrollment period for the Survivor Benefit Plan to permit current non-participating military retirees to elect survivor protection.

Under that provision if the retiree were to die within a year of making the election, the survivor would only receive a refund of contributions rather than an annuity from the plan.

The Senate bill contains no similar provision.

The Senate recedes with an amendment specifying that if death occurs within two years following the election, only a refund of contributions would be made.

Reductions for consultants and travel

Section 905 and 906 of the Senate bill would require reductions of $500 million in consultants and $550 million in travel of persons

and transportation of things. Such reductions would be allocated government-wide by the Office of Management and Budget. Based on spending for these categories, approximately 80 percent of the reductions would be allocated to the Department of Defense.

The apparent intent of sections 905 and 906 is to curtail spending for studies and analyses performed by outside consultants and to reduce administrative travel by government employees. The actual effect in the Department of Defense would be severe reductions in readiness.

In one service, for example, 97 percent of total contracts covered by section 905 are for engineering of prime weapon systems, training operation and maintenance personnel, recruit advertising, satellite technical support, intelligence collection and other readiness related activities. Only 3 percent of the funds are used for "studies and analyses."

Administrative travel, the presumptive target of section 906, constitutes about 6 percent of total travel. The bulk of the Defense Department's spending covered by section 906 is for transportation of things, such as fuel to using units, war materiel to U.S. forces in NATO, and resupplies to forces in the Indian Ocean. Almost half of the personnel travel involved is related to permanent change of station, and the remainder is principally in support of military exercises and deployments, technical training and support, National Guard and reserve training, and travel for recruiting, audit and investigation.

The conferees from the Committees on Armed Services find such potential military readiness shortfalls totally unacceptable and support a position to revise or eliminate the reductions required by sections 905 and 906.

SUBTITLE A—HOUSING, COMMUNITY DEVELOPMENT, AND RELATED PROGRAMS

PART I—COMMUNITY DEVELOPMENT

Community Development Block Grant program

Statement of activities and review

The House bill contained a provision that prior to receipt of grant, the entitlement community or state shall prepare a final statement of community development objectives and use of funds. The Senate amendment contained a similar provision, except that where the nonentitlement community receives a grant directly from HUD such community must also prepare statement of objectives and use of funds. The conference report contains the Senate provision.

Citizen participation requirement

The House bill contained a provision that a proposed statement of objectives and use of funds must be published to permit citizens or units of general local government the opportunity to submit comments. The Senate amendment contained a similar provision except it clarified that: the requirement applies to each grantee (state, entitlement community and, in some cases, nonentitlement

community); citizens must be furnished information on the amount of funds available for community development, and housing activities and on the range of activities that may be undertaken; citizens and units of general local government may submit comments on the community development performance of the grantee; and one or more public hearings must be held on community development housing needs. The conference report contains the Senate provision. The Conferees instruct the Secretary not to include in the regulations specific times that the grantees must hold the required public hearings. The Conferees, however, expect the grantees to make all reasonable efforts to schedule public hearings in ways and at times that will provide for full participation in public hearings by all citizens in the community.

Certification

The House bill contained a provision that in addition to certifications that are identical between House and Senate versions, a grant may be made only where the grantee certifies, to the satisfaction of the Secretary, that the grantee is in full compliance with the publication requirement. The Senate amendment contained a similar provision except that the grantee must certify that it is in full compliance with publication and citizen participation requirements and has made the final statement available to the public. The conference report contains the Senate provision.

Housing assistance plan

The House bill contained a provision which deleted the requirement that nonentitlement communities prepare a Housing Assistance Plan as part of the community development application. It retained existing law regarding the content of the HAP, including an estimate of housing needs of lower-income persons expected to reside in the community as a result of existing or projected employment opportunities in the community. The Senate amendment contained a similar provision except it amended the estimate of housing needs to refer to lower-income persons residing or expected to reside in the community as a result of existing or projected changes in employment opportunities and population in the community and its surroundings. The conference report contains the Senate provision with an amendment deleting the consideration of changes in surrounding communities from the requirement. The Conferees wish to make it clear that these changes made to the HAPs are designed to add flexibility to a community's determination of what its housing needs will be in the future. It is expected that communities will utilize the new census data to update the projection of employment and population and to determine the extent of vacant units available in other nearby jurisdictions which would serve to reduce the need for additional housing in the community where the employment is projected. Such a "netting out" of housing needs will help avoid the excess counting of such needs and the pressure for building new units in one community which aggravates the vacancy problems of a neighboring community.

Performance review

Annual performance review.—The House bill contained a provision that at least on an annual basis, the Secretary must review

and audit entitlement community performance to determine whether the activities and the Housing assistance plan have been carried out in a timely manner; whether the activities and certifications have been carried out in compliance with the title and other laws; and whether the grantee has continuing capacity to carry out the activities. The Senate amendment contained a similar provision except that the review also applied to nonentitlement communities receiving grants directly from HUD and it must determine whether the activities and certifications are carried out in a manner which is not plainly inconsistent with the requirements and the primary objectives of the title. The conference report contains the Senate provision amended to delete the reference to plainly inconsistent and to provide that the review be to determine whether the activities and certifications are carried out in accordance with the requirements and primary objectives of the title and with other laws. The Conferees wish to make clear that the changes made to the Community Development Block Grant program, with respect to performance reviews under section 104(d), the requirements for certifications under section 104(b) and (c), and the approval of housing assistance plans (HAPs) under section 104(c) as amended by this Act, are intended to reduce HUD's level of involvement in local affairs. As a result, it would not be the intent of these provisions to permit HUD to establish a standard of review for the acceptance of certifications or the approval of HAPs which is more restrictive than the current standard, which requires that the applications be approved unless the applicants' stated needs and objectives are plainly inconsistent with generally available facts or data or that the applicants' proposed activities are plainly inappropriate to meeting those needs and objectives. In addition, the Department should establish a similar standard of restraint in dealing with performance review.

*Grant adjustments.*The House contained a provision that in accordance with the annual review, the Secretary may make adjustments in the annual grants. It also provided that with respect to assistance made available to nonentitlement communities through the states under section 106(d), the Secretary may adjust, reduce or withdraw assistance or take other appropriate action; except that funds already expended on eligible activites shall not be recaptured or deducted from future assistance to such unit of general local government. The Senate amendment contained a similar provision except that it also provided that in addition to adjusting grant amounts, the Secretary may provide assistance directly to units of general local government. The conference report contains the House provision.

Effective date—The House bill contained a provision that the amendments regarding performance review and grant adjustments shall be effective on October 1, 1982, except that in the case where a state elects not to receive an allocation for fiscal year 1982 the amendments shall be effective on October 1, 1983, and until that date, the performance of nonentitlement communities shall be governed by existing law. The Senate amendment contained a provision that the amendments regarding performance review and grant adjustment shall be effective on October 1, 1982. The conference report contains the Senate provision.

Eligible activities

The House bill contained a provision which added as activities eligible for CDBG funds, the development of strategies and action programs to implement a comprehensive plan, evaluation or studies related to such plan, and OMB Circular A-95 clearinghouse functions which were formerly eligible under the section 701 Planning Assistance Program. The Senate amendment contained no similar provision. The conference report contains the House provision. While both the Senate and House provisions contained a limitation on public services, the Conferees intend that the ten percent limitation will apply to energy conservation services but will not apply to the purchase and installation of energy conservation improvements.

Reallocation of metropolitan city and urban county CDBG funds

The House bill contained a provision which required that amounts allocated to an entitlement community which are not received by such city or county for a fiscal year, which become available as a result of grant adjustments, administrative hearings, or civil suits related to noncompliance with section 104 or section 111 be added to the amounts available in the succeeding fiscal year for allocation to all entitlement and nonentitlement communities. The Senate amendment contained a similar provision except that funds becoming available shall be reallocated in the succeeding fiscal year among the entitlement communities of the same state on the basis of a formula under which the amount reallocated to each such community bears the same ratio to the total amount reallocated to the entitlement communities within that state as the ratio which the amount allocated to that entitlement community bears to the total amount allocated to the entitlement communities within the state.

The conference report contains the Senate provision with an amendment to provide that funds that are not received by an entitlement community for a fiscal year because of a failure to meet the requirements of section 104 (a), (b) or (c); or as a result of actions taken under section 104(d) or section 111 would be proportionally reallocated in the subsequent fiscal year to other entitlement communities in the same SMSA that certify to the Secretary that they would be adversely affected by the loss of such funds from the SMSA.

The portion of the funds available for reallocation to all of the qualifying entitlement communities in the same SMSA that each qualifying community receives shall bear the same ratio as that community's share of the funds awarded to all of the qualifying communities in the same SMSA in the subsequent fiscal year bears to all of the funds awarded to all of the qualifying entitlement communities in that SMSA in the succeeding fiscal year. Three conditions affect the share of the reallocated funds that a qualifying community receives: (1) in determining the amounts awarded to entitlement communities for purposes of calculating appropriate shares, any funds that become available for reallocation as a result of a section 111 action against such community shall be excluded from the award credited to such community; (2) the entitlement community against which an action under section 104(d) or section 111 was taken shall not share in any of the funds that become

available for reallocation as a result of such action; and (3) the share of the reallocated funds that any qualifying entitlement community receives may not exceed 25 percent of the funds awarded to such community under section 106(b) for the fiscal year in which the reallocated funds become available. Finally, where no entitlement community in the same SMSA qualifies for reallocated funds, those funds will be added to the amounts available to be distributed to all entitlement communities in the subsequent year.

The Conferees reaffirm the presumption that when community development block grant funds are not received by or are withdrawn from an entitlement community, other entitlement communities in the same metropolitan area are adversely affected. However, where a community does not apply for funds or does not receive funds because it has failed to meet the certification and other requirements of the program, it cannot expect to share in the funds that become available for reallocation in that fiscal year. Similarly, a community that has lost funds pursuant to a section 104(d) or section 111 action will not be able to share in a reallocation of those funds. Finally, in order to assure that one community in an SMSA does not receive reallocated funds in an amount that would severely distort the basic and equitable distribution formula established by the statute, no entitlement community will receive a portion of the reallocated funds that exceeds 25 percent of its basic award for that fiscal year. Where an entitlement community's share of the reallocated funds exceed 25 percent of its basic award, where metropolitan area contains only one entitlement community, or where no additional entitlement communities qualify to share in the reallocated funds, such funds shall be added to those funds available for allocation on a national basis to all entitlement communities in the succeeding fiscal year.

The Conferees intend that the Secretary reallocate funds expeditiously and to make them available to a qualifying community at the same time that the basic entitlement formula funds are awarded in the succeeding fiscal year. The Secretary's review of the certification of expected adverse impact should be no more stringent than the review that is otherwise required for the award of the basic entitlement amount. It is expected that the statement of projected use of funds, which is submitted by the community in applying for basic entitlement formula funds each year, will include proposals for the use of any available reallocated funds.

Nonentitlement, small cities program

State option not to participate in program.—The House bill contained a provision that a state may elect not to receive its allocation of funds for fiscal year 1982. Where a state makes such an election, HUD shall administer funds for that state in accordance with the provisions of existing law (except the HAP requirements) that govern grants to nonentitlement communities. The Senate amendment contained a provision that a state may elect, without a time limitation, not to distribute its allocation of funds. Where a state makes such an election, HUD shall distribute funds pursuant to statements submitted by nonentitlement communities and other requirements of section 104 as amended. The conference report contains the Senate provision. The Conferees intend that once a state has participated in distributing its allocation of funds, the

Secretary may require such state to give the Secretary one year or more notice that it has elected not to administer the small cities, nonentitlement program. The Secretary is expected to accommodate the various fiscal year periods of the states when complying with the requirements of this section.

Distribution of State funds by HUD.—The Senate amendment contained a provision not contained in the House bill which provided that amounts allocated to the states shall be distributed to nonentitlement communities of the state by the Secretary of HUD where the state has elected not to distribute the funds, where the state has failed to submit required certifications, or where necessary as a result of annual review and audit. The conference report contains the Senate provision amended to delete the administration by HUD where necessary as a result of an annual review or audit.

The Conferees recognize that under the existing Small Cities Program, many small cities projects are approved for funding over a three-year period. It is the Conferees intent that these commitments not be disturbed in the transition to the new nonentitlement program established in this Act unless a city fails to meet its original program commitments. Thus, if in a given state, HUD continues to administer the nonentitlement program and there are nonentitlement communities in that state with which HUD had multiyear commitments prior to October 1, 1981, then HUD should fund those cities first from the state's allocation before funding any other new cities until the multi-year commitments have been satisfied. Where a state administers the nonentitlement program in its state and there are nonentitlement cities in that state with multiyear commitments received from HUD prior to October 1, 1981, then the Conferees intend that the state shall fund those commitments from its allocation first, prior to distributing funds to any other community until the multi-year commitments have expired.

Conditions for state participation.—The Senate amendment contained a provision requiring, with respect to nonentitlement communities receiving assistance through the states, that the Governor of each grantee state certify that the state (1) engages or will engage in community development planning; (2) provides, or will provide technical assistance to units of general local government in connection with community development programs; (3) will provide state funds for community development activities which are at least 10 percent of CDBG amounts allocated for use in the state; and (4) in determining the method of fund distribution, has consulted with local elected officials from nonentitlement communities of the state. The House bill required only that a state shall distribute amounts allocated to it consistent with the statement submitted under section 104(a) and shall be responsible for administration of such funds. The conference report contains the Senate provision amended to clarify that the Governor of the State certifies that all of the specified activities are being carried out by the state with respect to nonentitlement communities in that state.

Administrative costs.—The House bill contained a provision that amounts allocated to states may be used by a state for administrative expenses in carrying out the program. The Senate amendment contained a provision that amounts allocated to the states may not be used by a state for administrative expenses in carrying out the

program. The conference report contains the House provision with an amendment limiting the amount of HUD programmatic funds that a state may use for administrative expenses to not more than fifty percent of the costs incurred by the state, and providing further that the state may not use any more than 2 percent of its CDBG funds for its administrative expenses. This provision is not intended, however, to suggest limits for the overall cost to a state for administering the program. A state may spend as much of its own resources as it deems necessary to properly carry out its responsibilities. This provision merely limits the amount by which the state may be reimbursed from the Federal funds it is distributing to 2 percent of that amount and further requires that that 2 percent be matched by the state on a dollar for dollar basis.

Reallocation of state funds

The House bill contained a provision which required that where a state elects not to receive the fiscal year 1982 allocation, except for amounts for which preapplications have been approved by the HUD Secretary prior to October 1, 1982, and which have been obligated by January 1, 1983, amounts which are or become available for obligation after fiscal year 1982, shall be available for use by the state for which the allocation was made. In addition, any amounts allocated to a state which are not received by the state for a fiscal year or which become available as a result of post-audit adjustments or which result from administrative hearings or civil suits related to noncompliance with the title shall be added to amounts available for allocation to all states in the succeeding fiscal year. The Senate amendment contained a provision which required that where a state elects not to distribute the state allocation those funds shall be available for use in the state to which the funds were allocated, and any amounts allocated for use in a state which are not received by the state or nonentitlement communities of that state or which become available as a result of post-audit adjustments or which result from administrative hearings or civil suits related to noncompliance with the title shall be added to amounts available for use in that state in the succeeding fiscal year. The conference report contains the Senate provision with an amendment to provide that any amounts that become available as a result of actions under sections 104(d) or 111, shall: (1) in the case of actions against nonentitlement communities be added to the amounts available to be distributed within the state in the fiscal year in which the amount becomes available and (2) in the case of actions against the state be added to amounts available in the state in the next fiscal year. The amounts so allocated shall be available to be distributed by either the Secretary or the state, whichever is distributing the state allocation in the fiscal year in which additional funds become available.

Nondiscrimination

The House bill contained a provision which made clear that the age discrimination prohibitions of the Age Discrimination Act of 1975 and discrimination against handicapped persons prohibitions of the Rehabilitation Act of 1973 applied to activities under the Housing and Community Development Act of 1974. The Senate amendment contained a provision which referred to similar age

discrimination prohibitions only. The conference report contains the House provision.

Reallocation of funds during transition period

The House bill contained a provision that any community development or UDAG funds appropriated prior to fiscal year 1982 which are or become available for obligation shall remain available and shall be used in the succeeding fiscal year according to the reallocation provisions of the House bill. The Senate amendment was similar except it did not make any changes in the reallocation provisions in existing law affecting UDAG and provided that community development funds appropriated prior to fiscal year 1982 which are or become available for obligation shall be used in the succeeding fiscal year according to the reallocation provisions contained in the Senate amendment.

The conference report contains the Senate provision amended to provide in addition that entitlement and nonentitlement grants awarded from amounts appropriated during fiscal year 1981 shall be made in accordance with provisions of law that existed prior to the effective date of this title except that (1) any amounts which are not obligated for use by entitlement communities before January 1, 1982, shall be reallocated in accordance with the entitlement community reallocation provisions included in the conference report, and (2) any amounts for nonentitlement communities for which preapplications have not been approved by the Secretary prior to October 1, 1981, and which have not been obligated by January 1, 1982, shall become available for distribution in the state in which the grants were made, by the state or by the Secretary, whichever is distributing the state allocation in the fiscal year in which such amounts become available.

The conference report also provides that any funds appropriated to the Secretary's discretionary fund prior to fiscal year 1982 which are or become available for obligation on or after October 1, 1981, shall be used in accordance with the provisions governing the section 107 discretionary fund as amended by this title. Finally, any grant or loan which, prior to the effective date of any provision in this title affecting the CDBG or UDAG program, was obligated and governed according to prior law will continue to be governed by the provisions of law that existed immediately before the effective date of these changes.

The changes affecting the basic CDBG program are effective on October 1, 1981. The changes affecting the UDAG program are effective on the date regulations implementing such changes become effective and the Secretary of HUD is to issue such final rules and regulations as soon as practicable, but not later than January 1, 1982.

Discretionary Fund and Urban Development Action Grants

Action grant set-aside

The House bill contained a provision which transferred the administration of revised Urban Development Action Grant authority from section 119 to section 107 of the Act, as amended, and provided that of the amounts approved in the appropriations Acts for

CDBG, pursuant to section 103 for each of the fiscal years 1982 and 1983, the Secretary of HUD has the discretion to set-aside not more than $500 million for fiscal year 1982 for Urban Development Action Grants. The Senate amendment contained a provision which retained the Urban Development Action Grant authority within section 119 of existing law with substantially similar revisions as contained in the House bill and provided, of the amounts approved in the appropriation Acts, $500 million for each of fiscal years 1982 and 1983. The conference report contains the Senate provision.

Transfer of UDAG funds to CDBG program

The House bill contained a provision which provided that in the event no set-aside for UDAG is provided or appropriations are precluded after fiscal year 1982, any amount which is or becomes available for action grants after fiscal year 1982 shall be added to the amount for the CDBG Program under section 103. The Senate amendment contained a similar provision that applied after fiscal year 1983 instead of after fiscal year 1982. The conference report contains the Senate provision.

Civil rights provisions

Applicability.—The House bill contained a provision not contained in the Senate amendment which provided that except for grants to Indian tribes and trust territories applicants must provide satisfactory assurances that the grants will be conducted and administered in conformity with the civil rights provisions as contained in Public Laws 88-352 and 90-284. The conference report contains the House provision.

Certification.—The House bill contained a provision not contained in the Senate amendment which provided that the Secretary may accept a certification from the applicant that it has complied with the civil rights provisions. The conference report contains the House provision.

Conforming amendments

The House bill contained several technical provisions not contained in the Senate amendment to conform the statute if, as proposed in the House bill, UDAG was shifted from section 119 to section 107. The Senate amendment contained a provision which amended section 121 of the Act to conform the reference to section 119(c)(7)(B) with the revised action grant program by striking "subsection (c)(7)(B)" and inserting in lieu thereof "subsection (c)(4)(B)". The conference report contains the Senate provision.

Eligibility of metropolitan cities and urban counties

The House bill contained a provision which retained entitlement status in the CDBG Program for metropolitan cities and urban counties through fiscal year 1983 even though their population falls below the entitlement threshold according to a decennial census. The Senate amendment contained a similar provision except that it retained entitlement status through fiscal year 1982 and did not apply the provision to urban counties. The conference report contains the House provision amended to apply only for one year, through fiscal year 1982 and to clarify that a qualifying

urban county is one which qualified as an urban county in fiscal year 1981, the population of which includes all of the population of the county (other than the population of metropolitan cities located in the county) and whose population fell below the required amount by reason of 1980 decennial census.

Limits on appropriations

The Senate amendment contained a provision not contained in the House bill that no funds may be appropriated to carry out title I of the Housing and Community Development Act of 1974 unless the amendments to title I which are included in this bill are enacted. The conference report does not contain the Senate provision.

REHABILITATION LOANS AND URBAN HOMESTEADING PROGRAM

Authority for 312 rehabilitation loan program

The House bill contained a provision which repealed the program except that it provided that the revolving loan fund shall remain in effect through fiscal year 1982, or such earlier time as the assets and liabilities of the fund are transferred to the revolving fund for liquidation of programs established pursuant to title II of the Independent Offices Appropriation Act of 1955, and shall be available for the purpose of servicing and liquidating loans, including reimbursement for services provided by GNMA and public or private agencies. The Senate amendment contained a provision that extended the program through fiscal year 1982 but repealed the authorization of $129 million for fiscal year 1982, so that loans might only be made from proceeds available in the revolving loan fund. The conference report contains the Senate amendment.

Relationship between 312 program and CDBG plan

The Senate amendment contained a provision not contained in the House bill which amended the provision requiring the 312 rehabilitation program to be part of, necessary or appropriate to an approved CDBG plan or an approved urban homesteading plan, by deleting the requirement that the CDBG plan be approved. It also deleted the provision requiring all multifamily rehabilitation loans to be consistent with an overall community development strategy developed pursuant to the CDBG Program. The conference report contains the Senate provision amended to require only that the rehabilitation be part of community development activities.

Use of 312 funds for urban homesteading and multifamily properties

The Senate amendment contained a provision not contained in the House bill that on or after October 1, 1981, 312 loans may be made only in connection with urban homesteading or multifamily properties. It also removed the limitation in existing law which permitted only ⅓ of the funds to be used for multifamily rehabilitation. The conference report contains the Senate amendment with an amendment that retains the current uses of section 312 loans for single family, urban homesteading and multifamily units and removes the limitation on funds used for multifamily properties. The Conferees recognize the need for multifamily rehabilitation,

and encourage the HUD Secretary to use 312 funds for that purpose.

URBAN HOMESTEADING PROGRAM

The House bill contained a provision which authorized such sums as may be necessary for the urban homesteading program for fiscal year 1983. The Senate amendment contained a provision which authorized not to exceed $13,467,000 for fiscal year 1983. The conference report contains the Senate provision.

NEIGHBORHOOD REINVESTMENT CORPORATION

The House bill contained a provision which authorized not in excess of $13,514,000 for fiscal year 1982 for the Neighborhood Reinvestment Corporation. The Senate amendment contained a provision which authorized not in excess of $13,426,000 for fiscal year 1981, $14,950,000 for fiscal year 1982, and $14,950,000 for fiscal year 1983. The conference report contains the Senate provision amended to delete the authorization for fiscal year 1983.

REPORTS ON BLOCK GRANT PROGRAM

Annual CDBG report due date

The House bill contained a provision not contained in the Senate amendment which changed the deadline for submission of the annual block grant report from 180 to 300 days after close of each fiscal year. The conference report does not contain the House provision.

Special block grant report

The Senate amendment contained a provision not contained in the House bill that required the HUD Secretary to submit a report, within 180 days of enactment of this Act, on administrative and legislative steps that can be taken to require all grantees: to concentrate block grant funds in distressed geographic areas so visible improvements can be achieved and ensure that benefits to low— and moderate-income persons are occurring; reduce the current broad list of eligible activities to focus on the most urgent revitalization needs; develop overall income eligibility for recipients of block grant rehabilitation and to limit rehabilitation work to that essential to restore a housing unit to decent, safe and sanitary or energy efficient condition, prohibiting nonessential and luxury items. The conference report contains the Senate provision with an amendment providing that the report would be submitted 270 days from the date of enactment of this Act.

PART II—HOUSING ASSISTANCE PROGRAM

LOW-INCOME HOUSING ASSISTANCE

Total contract authority

The House bill contained a provision increasing the authorization for the Secretary to enter into contracts for annual contributions contracts by $922,469,430 on October 1, 1981, and by such

sums as may be necessary on October 1, 1982. The Senate amendment contained a similar provision, except that it authorized an increase of $891,500,000 on October 1, 1981, and of $899,800,000 on October 1, 1982. The conference report contains a provision which increases the Secretary's authority to enter into annual contracts by $906,985,000 on October 1, 1981.

Limitation on budget authority

The House bill contained a provision which provided that the aggregate amount which may be obligated over the duration of the annual contributions contacts may not exceed $31,200,000,000 with respect to the additional authority provided on October 1, 1980, and $18,359,638,525 with respect to the additional authority provided on October 1, 1981. The Senate amendment contained a similar provision, except that it provided that such amount many not exceed $17,815,100,000 with respect to the additional authority provided on October 1, 1981, and $17,810,600,000 with respect to the additional authority provided on October 1, 1982. The conference report contains the House provision amended to provide that the aggregate amount which may be obligated may not exceed $18,087,370,000 with respect to the additional authority provided on October 1, 1981.

Limitation on annual contributions contract authority

Comprehensive improvement assistance.—The House bill provided that of the additional authority approved in Appropriation Acts and made available on October 1, 1981, the Secretary shall make available $75,000,000 for assistance to projects under section 14 of the United States Housing Act of 1937. The Senate amendment provided that of the additional authority approved in Appropriation Acts and made available on October 1, 1981, and October 1, 1982, the Secretary shall make available at least $75,000,000 for each fiscal year for assistance to projects under section 14. The conference report contains the House provision amended to provide that the Secretary shall make available at least $75,000,000 for assistance under section 14. The Conferees wish to make clear that any amount made available by the Secretary under this provision would be in addition to other federal housing assistance which local governments may elect to make available for use under section 14.

Allocation between new and existing units.—The House bill provided that of the balance of the additional authority which remains after deducting the amount to be provided for assistance to projects under section 14, the Secretary may not enter into contracts aggregating (i) more than 45.4 percent of such balance for existing units assisted under the U.S. Housing Act of 1937, and (ii) more than 54.6 percent of such balance for newly constructed and substantially rehabilitated units assisted under such Act. The Senate amendment provided that of the balance of the additional authority which remains for each fiscal year after deducting the amount to be provided for assistance to projects under section 14, the Secretary shall allocate funds for use in different areas and communities in accordance with section 213(d) of the Housing and Community Development Act of 1974, except that on a national basic the Secretary may not enter into contracts aggregating (i) more than 45 per-

cent of such balance for existing units assisted under the U.S. Housing Act of 1937, and (ii) more than 55 percent of such balance for newly constructed and substantially rehabilitated units assisted under such Act. The conference report contains the Senate provision amended to provide that instead of allocating "funds" the Secretary shall allocate such "contract authority" for use in different areas and communities in accordance with section 213(d).

Accommodation of preferences.—The Senate amendment, but not the House bill, also provided that notwithstanding the preceding percentage limitation, after making the allocations referred to above, the Secretary shall accommodate the desires of states and units of local government regarding the mix between newly constructed or substantially rehabilitated and existing or moderately rehabilitated housing if the contract and budget authority allocated are suffcient to provide assistance with respect to such mix. It further provided that any contract or budget authority which remains after assistance is set aside for such mix shall be reallocated in accordance with the fair share allocation process under section 213(d) of the Housing and Community Development Act of 1974; and that in any case where a state or unit of local government determines that funds allocated under this paragraph would be more effectively used for the modernization of existing public housing, the Secretary may approve the use of all or a part of such funds in accordance with the provisions of section 14.

The conference report contains the Senate provision amended to provide that after making the allocations referred to above, the Secretary shall, to the extent allowable within the national percentage limitations on the use of authority and within the available contract and budget authority, accommodate the preferences of units of general local government, which preferences shall be established after consultation with the appropriate public housing agencies, regarding (i) the mix among newly constructed, substantially rehabilitated, existing, or moderately rehabilitated units; (ii) the programs under which assistance is to be provided; and (iii) the extent to which such allocations should be used for comprehensive improvement assistance under section 14. The conference report does not contain the Senate provision regarding reallocation under section 213(d) because the Conferees intend that existing law regarding section 213(d) will continue to be applicable.

The Conferees direct HUD to set aside at least 17,000 section 8 units for use by state housing finance agencies, not more than 4,000 section 8 units for FmHA, and at least 2,500 units under the Indian Housing Program. The Conferees also expect that sufficient section 8 units will be reserved for use under the section 202 program. The Conferees recognize that a local government's ability to fully achieve its assisted housing preferences will be limited by the percentage limitations on the assistance which is being authorized, by the set-asides which the Conferees have prescribed, and in cases where allocation areas include multiple jurisdictions. However, the Conferees expect that, in cases where program requirements can be met, the Secretary will make a concentrated effort to assist communities in achieving their preferences regarding how assistance is to be utilized to the greatest extent feasible. In this regard, the Conferees expect that HUD will use its resources at the local, regional and federal level (including a reasonable portion of the Sec-

retary's assisted housing discretionary funds) to facilitate the ability of communities to achieve these preferences, and that any adjustments to a local government's assisted housing allocation should occur within a reasonable time period so as not to impede the timely reservation of contract authority.

Reservation of contract authority.—The Senate amendment contained a provision not contained in the House bill providing that the Secretary may not make reservations from the total amount of budget authority provided to carry out the U.S. Housing Act of 1937 in any fiscal year in a manner which would cause the amount reserved to exceed 30 percent of the total amount for the last quarter of any fiscal year or 15 percent of the total amount for any month of the last quarter of any fiscal year. Although the conference report does not contain this provision, the Conferees believe that all participants in the assisted housing programs would benefit from an earlier allocation of funds. To this end, the Conferees urge the Department and OMB to take all necessary steps to allocate assisted housing funds prior to the end of the first quarter of the fiscal year. In addition, the Conferees believe that, once funds are allocated, project processing should commence as quickly as possible. The Conferees expect that, at a minimum, HUD should attempt to evenly distribute the assisted housing reservations over the last two quarters of the fiscal year.

PUBLIC HOUSING OPERATING SUBSIDIES

The House bill contained a provision increasing the authorization for public housing operating subsidies by not to exceed $1,640,700,000 on or after October 1, 1981. The Senate amendment contained similar provision, except that it authorized amounts not to exceed $970,800,000 on or after October 1, 1980; $1,204,600,000 on or after October 1, 1981; and $1,350,400,000 on or after October 1, 1982. The conference report contains the House provision amended to increase the authorization for public housing operating subsidies by not to exceed $1,500,000 on or after October 1, 1981.

DISCRETIONARY FUNDING

The Senate amendment, but not the House bill, contained a provision to amend section 213(d) of the Housing and Community Development Act of 1974 to provide that with respect to fiscal years beginning after September 30, 1981, the Secretary of HUD is authorized to retain a portion of the contract authority available during any fiscal year under the authorities cited in section 213(a)(1), not to exceed 10 percent of the available contract authority on an aggregate basis. It provided that such contract authority shall be available for subsequent allocation to specific areas and communities, and may be used for (A) unforeseeable housing needs, especially those brought on by natural disasters or special relocation requirements; (B) support for the needs of the handicapped or for minority enterprise; (C) applications for assistance with respect to housing in new communities; (D) providing for assisted housing as a result of the settlement of litigation; (E) small research and demonstration projects; (F) lower-income housing needs described in housing assistance plans, including activities carried out under

areawide housing opportunity plans; and (G) innovative housing programs for alternative methods for meeting lower-income housing needs approved by the Secretary. The conference report contains the Senate provision amended to provide that: (1) such provision would be notwithstanding any other provision of law; (2) the Secretary of HUD may not retain more than 15 percent of the financial assistance made available by the Secretary during any fiscal year under the programs described in subsection (a)(1) of such Act; (3) such assistance may only be used for the purposes described in the Senate provision; except that assistance may not be used for applications for assistance with respect to housing in new communities; and (5) such assistance may be used for innovative housing programs or alternative methods for meeting lower-income housing needs approved by the Secretary, including assistance for infrastructure in connection with the Indian Housing Program.

The Conferees recognize that there is a continuing problem in coordinating the activities of the Bureau of Indian Affairs (BIA) (with respect to roads) and the Indian Housing Service (IHS) (with respect to water and sewer installations) with the HUD Indian Housing Program despite repeated attempts to correct them through interagency agreements. This problem has frequently resulted in slowing the development of approved housing projects and in some instances has resulted in units being constructed without either the necessary roads or water and sewer facilities. This has unnecessarily added to the cost of Indian housing units. Therefore, the Conferees have acted to permit in limited circumstances the use of housing development funds for necessary infrastructure installation where the Secretary, in consultation with BIA and IHS, determines that the construction of HUD assisted projects will be delayed by waiting until BIA and IHS funded roads or water and sewer facilities are constructed. It is not the intent of the Conferees to remove the burden of providing these infrastructure facilities from the IHS or the BIA nor to substitute HUD resources for IHS on BIA resources. In this respect the Conferees expect that adequate and continuous funding will be provided for BIA and IHS activities consistent with the requirements of the pipeline and any additional assisted units. The interagency coordination task force is urged by the Conferees to act expeditiously to conform the planning and implementation of the respective responsibilities of BIA and IHS, to assure that the necessary infrastructure is planned, funded and put in place in a timely manner that does not impede the construction of housing under the HUD Indian Housing Program.

TROUBLED PROJECTS

Authorization

The House bill contained a provision to amend section 201(h) of the Housing and Community Development Amendments of 1978 to authorize to be appropriated for the purpose of providing assistance to troubled multifamily housing projects not to exceed $4 million for the fiscal year 1982. The Senate amendment contained a similar provision, except that it authorized to be appropriated not to exceed $50,176,000 for the fiscal year 1982, and $50,176,000 for the fiscal year 1983. The conference report contains the House provision with an amendment to provide that the Secretary may not use

any of the amount of assistance available under the Troubled Projects Program during any fiscal year beginning on or after October 1, 1981, to supplement any contract to make rental assistance payments which was made pursuant to section 101 of the Housing and Urban Development Act of 1965.

It is not the intention of the Conferees to preclude the Secretary from making Troubled Projects assistance to Rent Supplement projects where necessary to improve project management, restore reserves, or fund deferred maintenance or energy conservation improvements. Both the House bill and the Senate amendment provided that assistance under section 5(c) of the U.S. Housing Act of 1937 may be used to supplement existing Rent Supplement contracts to provide needed rent increases; the Conferees wish to emphasize that Troubled Projects funds should not be used for that purpose. It is also the intent of the conferees that where the section 5(c) assistance is used to supplement existing Rent Supplement contracts that it be provided for a term of at least 5 years.

Section 236 fund

The House bill contained a provision to extend through September 30, 1982, the period during which amounts in the section 236 rental housing assistance fund may be used in the Troubled projects program. The Senate amendment contained a similar provision, except it extended such use through September 30, 1983. The conference report contains the House provision.

ASSISTED HOUSING TENANT RENTAL PAYMENTS AND INCOME ELIGIBILITY

Minimum rent

The House bill provides that public housing and section 8 tenants would pay as rent the highest of 30 percent of the family's monthly adjusted income, 10 percent of the family's monthly income, or that part of a family's welfare payments which is specifically designated to meet housing costs in those States where the welfare payment is adjusted in accordance with the family's actual housing cost. The Senate amendment was similar except that 15 percent of the family's monthly income would be established as the minimum rent for the section 8 program. The conference report contains the House provision.

Definitions of lower income and very low-income families

The House bill contained a provision not included in the Senate amendment which defined very low-income families as lower income families whose incomes do not exceed 50 percent of the median family income for the area as determined by the Secretary with adjustments for smaller and larger families. The conference report contains the House provision with an amendment to limit the Secretary's discretion to establish income ceilings for lower income families which are higher or lower than 80 percent of the median to situations where they are necessary because of prevailing construction costs or unusually high or low family incomes.

Tenant income

The House bill defined income for the purposes of the assisted housing programs to mean income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary of HUD. The Senate amendment was similar except it also included the amount of income which a member of the household would have received with respect to any resource owned with the preceding 24 months if such member gave away or sold such resource at less than the fair market value in order to be eligible for assistance under this section, and the amendment provided that household income shall be determined on the basis of actual income received over a representative prior period, with appropriate provision for sudden loss of income. The conference report contains the House provision. The conferees are concerned, however, that in allowing adjustments to income for the purpose of determining how much rent a tenant should pay, the Secretary should retain a deduction related to those child care expenses that are necessary to permit a tenant to be employed.

Occupany by very low-income families

The House bill contained a provision not included in the Senate amendment requiring that at least 30 percent of the dwelling units made available for initial occupancy in a public housing project in any fiscal year shall be occupied by very low-income families, and at least 30 percent of the families assisted under section 8 with annual allocations of contract authority shall be very low-income families at the time of the initial renting of dwelling units. The conference report does not include this provision (see Income Eligibility).

Limitation on increases in rental payments

The Senate amendment contained a provision not included in the House bill which prohibited any increase in rents required by the amendments made by this section (other than any part of those increases attributed to increases in family income) in excess of ten percent for a family during any twelve-month period. The conference report contains this provision amended to included in the ten percent limitation any rent increases that might result from amendments to other federal laws redefining which governmental benefits are required to or may be considered as income. This limitation shall remain in effect unless changed or superseded by a future law amending this particular subsection. When Congress originally considered the proposal to increase the percentage of a tenant's adjusted income which would be paid as rent in the assisted housing programs, certain types of assistance provided tenants through other federal programs were not considered income for purposes of the assisted housing program. In order to avoid unanticipated hardship to tenants receiving benefits under such programs, the Conferees have extended the limitation that would insure the tenant's rents would not increase by more than ten percent annually to include changes in other federal laws redefining what benefits are required to or may be considered as income.

Income eligibility

The Senate amendment contained a provision not included in the House bill which amended the definition of "lower-income families" used to determine eligibility under section 8 and public housings to lower the income ceiling from 80 percent of area median income to 50 percent of area median income (with adjustments for family size as determined by the Secretary). The conference report does not contain the Senate definition. It includes an amendment which retains eligibility for assisted housing for persons whose income is 80 percent of median or below but restricts that eligibility to a certain percentage of total available units. The conference report provides that of those dwelling units which are available for occupancy under public housing annual contributions contracts and section 8 housing assistance payments contracts before October 1, 1981, and which will be leased on or after such date, only 10 percent will be available for leasing to families whose income is between 50 and 80 percent of median. Of those additional or new dwelling units which become available for occupancy under the public housing and section 8 programs on or after October 1, 1981, no more than 5 percent shall be available for leasing by families whose income is between 50 and 80 percent of median.

The Conferees, by establishing national percentage limitations, do not intend that each lower income housing project or each individual program be limited to the specified percentage. The HUD Secretary has the discretion to set differing percentages for separate programs (such as public housing, section 8 new-family, section 8 new-elderly, or section 8 existing) which, when aggregated, will comply with the overall national limitation. The Conferees do not intend that these amendments regarding tenant eligibility for section 8 assistance will affect the conditions established for project eligibility under section 167(k) or 103(b)(4)(A) of the Internal Revenue Code of 1954.

SECTION 8 PROGRAM

Design of newly constructed projects

The Senate amendment contained a provision to amend section 8(b)(2) of the U.S. Housing Act of 1937 to provide that to increase housing opportunities for very low-income families, the Secretary shall assure that newly constructed housing to be assisted under such section is modest in design and shall reduce the types and number of unnecessary amenities and features. The House bill did not include a similar provision. The conference report contains the Senate provision amended to provide that to increase housing opportunities for very low-income families, the Secretary shall assure that newly constructed housing to be assisted under section 8 is modest in design. The Conferees wish to clarify that in assuring such projects are "modest in design," the Secretary should review the planned amenities to preclude unnecessary amenities and other unnecessary features, the extent to which room sizes can be reduced to meet the Minimum Property Standards, and should encourage an appropriate use of efficiency and one or more bedroom units. However, the Conferees do not believe that it would be ap-

propriate for the Secretary to require that more than 25 percent of the units in a project be efficiency units.

Limitation on rent increases

The Senate amendment contained a provision to amend section 8(c)(2) of the U.S. Housing Act of 1937 to provide that notwithstanding any other provision respect to rent increases, the Secretary shall limit increases in contract rents for newly constructed or substantially rehabilitated projects assisted under this section to the amount of operating cost increases incurred by owners of comparable projects in the area. The House bill did not contain a similar provision. The conference report contains the Senate provision amended to clarify that comparison should be with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families assisted under this section, and that where no comparable dwelling units exist in the same market area, the Secretary shall have authority to approve such increases in accordance with the best available data regarding operating cost increases in rental dwelling units.

Limitation on assistance payments to unoccupied units

The Senate amendment contained a provision not contained in the House bill to amend section 8(c)(4) of the U.S. Housing Act of 1937 to limit to 30 days the period for which assistance payments may be made to unoccupied units. While the conference report does not contain the Senate provision, the Conferees direct the Secretary to report to the Congress by January 1, 1982, regarding the extent to which provisions in current law regarding the Secretary's authority to make assistance payments to vacant units have been utilized, the cost of such payments to the Federal Government and the impact on contracts and on section 8 investors of limiting such payments in the future.

Consideration for review of section 8 proposals

The Senate amendment contained a provision to provide that the Secretary shall give a weighted average consideration of 33⅓ percent for cost considerations when reviewing proposals for assistance under section 8. The House bill did not contain a similar provision. The conference report contains a provision requiring that after selection of a proposal involving newly constructed or substantially rehabilitated units for assistance under section 8, the Secretary shall limit cost and rent increases (except for adjustments in rent pursuant to section 8(c)(2)) to those approved by the Secretary; and that the Secretary may only approve those increases for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary. The Conferees wish to clarify that the term "unforeseen factors beyond the owner's control" should be limited to such factors as strikes, weather delays, acts of God and unexpected delays caused by local governments. The Conferees are concerned that HUD should place a greater emphasis on the cost of section 8 projects during the initial selection process than is currently being done, but believe that this should only be done in the context of other factors which are critical to the success of assisted housing projects, such as site selection, the previous

experience of the developer, and the extent to which the project is consistent with local housing needs and goals. In addition, the Conferees note that HUD is in the process of developing procedures to limit cost increase amendments during project construction, and urge the Secretary to implement these procedures at the earliest possible date.

Priority to projects on land provided by state or local governments

The Senate amendment but not the House bill contained a provision which provided that for the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a priority in entering into contracts under section 8 for projects which are to be located on specific tracts of land provided by states or units or local government if the Secretary determines that the tract of land is suitable for such housing, and that affording such priority will be cost effective. The conference report contains the Senate provision with an amendment to substitute "preference" for "priority". The Conferees wish to clarify that the intent of this provision is that where projects are considered substantially equal in other respects the Secretary should give a preference to projects on land provided by state or local government.

Limitation on unit size

The Senate amendment but not the House bill contained a provision to provide that the Secretary shall not enter into any contract with respect to a newly constructed project under section 8 if the sizes of the units in such project exceed (1) the sizes specified in the minimum property standards by more than 10 percent or the sizes specified by other applicable federal standards, or (2) the sizes specified in the applicable local codes, whichever are greater. The conference report does not contain the Senate provision (see Design of Newly Constructed Projects).

Efficiency units for elderly or handicapped

The Senate amendment but not the House bill also included a provision which provided that in the case of newly constructed or substantially rehabilitated projects for occupancy by elderly or handicapped persons or families with respect to which federal housing assistance is provided pursuant to contracts entered into on or after October 1, 1981, to the maximum extent practicable, the Secretary of HUD shall, on a nationwide basis, assure that not less than 25 percent of the units are efficiency units. The conference report does not contain this provision. (see Design of Newly Constructed Projects)

Single room occupancy housing

The House bill contained a provision to amend sec. 8(e)(5) of the U.S. Housing Act of 1937 to provide that the Secretary may provide assistance under the sec. 8 Moderate Rehabilitation Program with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities, if (i) the property is located in an area in which there is a significant demand for such units, as determined by the Secretary, and (ii) the unit of general local government in which the property is located

and the local public housing agency approve of such units bing utilized for such purpose. The House provision also provided that assistance made available with respect to such units may be made available for the benefit of lower income single individuals without regard to the limitation and priority described in the provisions of the third sentence of sec. 3(2) of such Act (percentage limitation and priority affecting lower income single individuals who can receive assistance under the Act). The Senate amendment contained a provision which provided that the Secretary of HUD may not deny or withold federal housing assistance with respect to any property in which some or all of the dwelling units do not contain bathroom or kitchen facilities because of the lack of such facilities; and which defined the term "federal housing assistance" to mean assistance under any program pursuant to the U.S. Housing Act of 1937, the National Housing Act, sec. 101 of the HUD Act of 1965, sec. 202 of the Housing Act of 1959, title V of the Housing Act of 1949, or title I of the Housing and Community Development Act of 1974. The conference report contains the House provision with an amendment to permit the Secretary to also provide assistance to such properties under the sec. 8 Substantial Rehabilitation Program and to provide that, in appropriate cases, the Secretary may waive the 15 percent limitation under sec. 8 on the number of units occupied by single individuals. The Conferees wish to clarify that the Secretary is also permitted to provide assistance for Single Room Occupancy units where moderate or substantially rehabilitated sec. 8 assistance is provided in conjunction with FmHA sec. 515 loans and, in addition, a community may use its CDBG funds to rehabilitate Single Room Occupancy units. However, the Conferees do not expect Single Room Occupancy units to be assisted in cases where sec. 8 assistance is provided in conjunction with the sec. 202 program. The Conferees intend that the 15 percent single individual limitation may be waived where a Single Room Occupancy project would exceed the limitation for a particular community. This authority to waive the limitation is not intended, however, to allow a series of Single Room Occupancy projects to exceed the 15 percent limitation.

Prohibition on assistance to communities with rent control

The Senate amendment contained a provision not contained in the House bill to prohibit the Secretary, after the date of enactment of this section, from entering into any contract for a newly constructed or substantially rehabilitated project under sec. 8 which is located in a jurisdiction of a state or unit of local government which applies rent controls or rent stabilization to some or all newly constructed multifamily residential projects or to units in any multifamily residential project which become vacant. The conference report does not contain the Senate provision. In rejecting the Senate provision, the Conferees nonetheless believe that the rapid expansion of rent control ordinances and laws is one of the many factors which have contributed to the crisis in multifamily housing. Rent control tends to result from the very decline in rental housing to which it contributes. Communities faced with substantial increases in rents often find it necessary to restrict the ability of owners to receive rent increases; this in turn provides a disincentive to owners to maintain existing rental buildings.

Though the Conferees are sympathetic with the concerns of local government, they believe that rent control actually acts contrary to the interests of tenants. Rent control discourages development of new rental housing and encourages the conversion of rental housing to condominium or cooperative use; in doing so it places increased pressures on the rental market and significantly narrows the housing opportunities of all families. It appears to the Conferees that the most responsible response of local governments to the decline in rental housing is to provide greater inducements for its construction, particularly since in some areas restrictive zoning and land use controls have been the source of pressures on rents which have ultimately caused the local governments to institute rent control. In sum, the Conferees believe that local governments must address themselves to the underlying reasons for increases in rent and not simply add to the problem by instituting rent control.

Notification of rent increases in section 8 projects

The Senate amendment contained a provision not in the House bill that requires each contract under sec. 8(c) to provide that the owner shall notify tenants at least six months prior to any rent increase which may occur after the expiration of the contract. The conference report contains the Senate provision with an amendment providing that the owner shall notify tenants at least 90 days prior to the expiration of the contract of any rent increase which may occur as a result of the expiration of contract. The Conferees intend the notice provision to apply only to contracts for newly constructed or substantially rehabilitated section 8 housing.

Survey of section 8 owners

The Senate amendment but not the House bill contained a provision providing that within one year after the date of enactment of this Act, the Secretary shall conduct a survey to determine the number of projects which are assisted under sec. 8 and owned by developers or sponsors with five-year annual contributions contracts who plan to withdraw from the sec. 8 program when their contracts expire and who will increase rents in those projects to levels that the current residents of those projects will not be able to afford; and that the Secretary shall notify affected residents of possible rent increases where applicable. The provision also required the Secretary to report to Congress recommending methods to recapture the front-end federal investment in such projects. The conference report contains this provision amended to provide that where the survey indicates that an owner intends to withdraw from the program, the Secretary shall notify affected residents of possible rent increases and that the report should indicate alternative methods that may be available for the recapture of the front-end investment. The Conferees expect that such notification will only be required once, and that where the Secretary finds that it is impractical to notify each tenant in projects where owners intend to withdraw, the Secretary will require such owners to post a notice in an appropriate location in each building. The Conferees wish to clarify that the term "front-end investment" includes the value of interest subsidies from the GNMA Tandem Program and of tax expenditure subsidies as a result of special tax treatment allowed for sec. 8 projects.

Prohibition on financial profit under section 8 by federal, state or local officials

The Senate amendment but not the House bill contained a provision to amend sec. 8 of the U.S. Housing Act of 1937 to provide that the Secretary shall assure that no federal, state or local official financially profits by participating in the development of housing to be assisted under such section. The conference report contains a provision providing that the Secretary of HUD shall, after consultation with the Attorney General, develop regulations to prevent possible conflicts of interest on the part of federal, state and local government officials with regard to participating in projects assisted under sec. 8 and shall make such regulations effective not later than 180 days after the date of enactment of this Act.

Retention of wrongfully paid amounts

The Senate amendment contained a provision not in the House bill directing the Secretary of HUD to permit public housing agencies to retain, out of judgments obtained by them in recovering amounts wrongfully paid as a result of fraud and abuse in the housing assistance program under sec. 8 of the United States Housing Act of 1937, an amount equal to the greater of (A) the legal expenses incurred in obtaining such judgments, or (B) 50 percent of the amount actually collected on the judgments. The conference report contains the Senate provision. The Conferees intend that where the Secretary has incurred costs on behalf of the PHA in obtaining such judgements, such costs shall be deducted from the PHAs 50 percent share of the judgement awarded.

Legal action brought by PHA's

The Senate amendment, but not the House bill, contained a provision providing that the Secretary of HUD shall include in the annual report under sec. 8 of the Department of Housing and Urban Development Act a summary of cases brought to its attention by public housing authorities for prosecution or civil action, and shall describe the handling of such cases by such authorities and by the Department of Housing and Urban Development and the resolution of such cases in the court system. The conference report contains the Senate provision.

Termination of tenancy

The Senate amendment contained a provision not included in the House bill which deleted the requirement that, with respect to the sec. 8 existing housing program, the public housing agency shall have the sole right to give notice to vacate, with the owner having the right to make representation to the agency for termination of tenancy, and provided that the procedural and substantive rights of the tenant with respect to occupancy of the unit shall be determined by the terms of the lease and applicable state and local law. The conference report contains the Senate provision amended to require that in the case of leases entered into after the beginning of fiscal year 1982 under the section 8 existing program, the lease shall be for not less that one year or the term of the assistance contract, (whichever is shorter), and shall contain other requirements specified by the Department of HUD, and to also require that the owner shall not terminate the tenancy except for serious or repeat-

ed violation of the lease, applicable state, local or federal law, or for other good cause.

It is not the intention of the Conferees that these statutory provisions govern the relationship between a landlord and a tenant after a landlord has, in good faith, terminated his participation in the sec. 8 existing program.

Economic Mix in Assisted Housing Programs

The Senate amendment contained several provisions not included in the House bill which relate to the policy of encouraging the inclusion in assisted housing projects of families with a broad range of lower incomes. One provision directed the Secretary of HUD to rescind 24 CFR 880.603(c) which provides that during the initial renting of assisted units an owner must lease at least 30-percent of units to very low-income families; after the initial renting the owner must use his or her best efforts to maintain at least 30 percent occupancy by such families; and that at all times the owner will use his best efforts to achieve leasing to families so that the average of incomes of all families in occupancy is at or above 40 percent of area median income. A second provision limited a purpose of the sec. 8 program, the promotion of economically mixed housing, to situations where this purpose is consistent with the purpose of aiding lower-income families in obtaining a decent place to live. A third provision deleted the requirement that public housing agencies establish tenant selection criteria designed to assure that, within a reasonable period of time, the project will include families with a broad range of incomes and will avoid concentrations of low-income families. The conference report does not contain these provisions. However, given the changes in income eligibility required by this conference report, the conferees direct the Secretary of HUD to rescind the cited regulation. The conferees are also concerned that in carrying out the policy of creating a mix of families having a broad range of lower incomes in assisted housing that families whose incomes are between 50 and 80 percent of median not be given a priority for occupancy by virtue of their income. In addition, the conferees do not intend that a community should be required to achieve the same distribution of incomes between lower income families living in assisted housing and lower income families living in the community at large. Such a rigid formula can inhibit a community from fulfilling the basic purpose of the assisted housing programs without delay—to aid lower income families in obtaining a decent place to live.

Rental to Ineligible Families

The Senate amendment but not the House bill contained a provision to provide that each contract entered into under sec. 8 after the date of enactment of the Housing and Community Development Amendments of 1981 shall provide that a family which is not eligible for assistance under this section at the time of its initial occupancy may rent a unit in a newly constructed or substantially rehabilitated project assisted under this section only if the number of units in the project which are occupied by families eligible for assistance under this section equals or exceeds the number of units

in the project which were to be available for occupancy at initial rent-up by families eligible for assistance under this section. The conference report contains a provision which provides that each contract to make assistance payments for newly constructed or substantially rehabilitated housing assisted under this section entered into after enactment of the Housing and Community Development Amendments of 1981 shall provide that during the term of the contract, the owner shall make available for occupancy by families which are eligible for assistance under this section at the time of their initial occupancy, the number of units for which assistance is committed under the contract.

Modification of Preference to Partially Assisted Projects

The Senate amendment but not the House bill amended sec. 8(c)(5) of the U.S. Housing Act of 1937 which permits the Secretary, within the category of projects for the nonelderly or nonhandicapped containing more than 50 units, to give preference to applications for assistance involving not more than 20 percent of the units in a project, to limit such preference to those projects which in addition are not subject to mortgages purchased under section 305 of the National Housing Act and not financed with the proceeds of obligations the interest on which is exempt from taxation under chapter 1 of the Internal Revenue Code of 1954. The conference report contains the Senate provision amended to limit any preference to those projects which in addition are not subject to mortgages purchased under sec. 305 of the National Housing Act.

Section 235

The Senate amendment contained a provision not included in the House bill which provided that the HUD Secretary may not enter into new assistance contracts under section 235 after September 30, 1981, except pursuant to commitments issued on or before September 30, 1981. The conference report contains the Senate provision amended (1) to prohibit the Secretary from entering into new contracts for assistance payments after March 31, 1982, except pursuant to a firm commitment issued on or before that date or pursuant to other commitments isssued by the Secretary prior to June 30, 1981, reserving 235 funds to be used in conjuction with a UDAG project; and (2) to provide that in no event may the Secretary enter into new contracts for assistance payments after September 30, 1983.

Restriction on Use of Assisted Housing

The House bill contained a provision prohibiting the Secretary of HUD from making financial assistance available under the public housing, section 8, section 235, section 236 or rent supplement programs for any alien who is not lawfully admitted for permanent residence or who is not otherwise permanently residing in the United States under color of law. The Senate amendment contained a similar provision prohibiting assistance to an alien unless the alien is a resident of the United States and either: is lawfully

admitted for permanent residence as an immigrant (excluding visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country); entered prior to June 30, 1948, has continuously maintained residence in the United States, is not eligible for citizenship, but is lawfully admitted for permanent residence; is lawfully present and granted asylum; is lawfully present because permitted by Attorney General for strictly public interest or emergency reasons; or is lawfully present because deportation is withheld by the Attorney General. The conference report contains the Senate provision. As was the case with section 214 of the Housing and Community Development Act of 1980, which dealt with nonimmigrant student-aliens, this section is intended to reserve scarce housing assistance resources for persons with the most legitimate claim—namely, citizens and other persons lawfully present in the United States.

It is not the intention of the bill to authorize the Secretary of Housing and Urban Development or any other public official to invade the privacy of occupants of assisted housing in an effort to identify illegal aliens and to secure their removal. However, the Secretary is required to take reasonable steps to identify such persons by methods which may include a request for documentation of an occupant's legal status, and which will protect the rights of all those being assisted. The Secretary should also take steps to provide for an orderly transition which will satisfy the intent of the proposal to make assisted housing available to lawful residents exclusively. In undertaking this task, the Secretary is specifically directed to ensure that persons administering assisted housing programs deal fairly and humanely with all persons discovered to be occupying housing in violation of this section.

In establishing procedures to assure that future applicants for participation in assisted housing programs are persons lawfully present in the United States, the Secretary should take care to assure that all applicants are subjected to procedures which are fair, which protect applicants from embarassment or humiliation, and which are impartially applied without regard to any official's subjective judgment or opinion concerning whether a particular applicant might or might not be a person not lawfully present in the United States.

Disposal of HUD-Owned Projects

The Senate amendment contained a provision not include in the House bill to amend section 203(a) of the Housing and Community Development Amendments of 1978 to provide that to the maximum extent feasible, the Secretary shall seek to dispose of projects owned by the Secretary to tenant-owned cooperatives, While the conference report does not contain this provision, the Conferees direct the Secretary not to preclude consideration of disposing of projects as tenant-owned cooperatives, so long as it would be consistent with the overall purposes of the Disposition Program.

Payment for Development Managers

The Senate amendment contained a provision not included in the House bill wich required the Secretary of HUD to develop and implement a revised fee schedule for development managers of lower income housing projects assisted under the United States Housing Act of 1937 so that the percentage limitation applicable to fees chargeable in connection with smaller projects is increased to a minimum level which is practicable. The conference report contains the Senate provision. In setting such fees the Secretary should allow fees that are adequate for both small and large projects. It may be necessary in order to comply with this requirement to establish a large per unit fee for a small project than for a large project, but in all cases such fees should be reasonable and cost-verifiable, as determined by the Secretary.

Operating Subsidy Formula

The Senate amendment, but not the House bill, contained a provision calling for a review of the operating subsidy formula and to report to Congress by March 1, 1982, recommendations for one or more new operating subsidy formulas which contain incentives to achieve good management, full rent collection and improved maintenance of projects developed under the U.S. Housing Act of 1937. The conference report contains the Senate provision amended to provide that the study shall examine alternative methods for distributing operating subsidies which provide such incentives.

Computer Feasibility Study

The Senate amendment contained a provision not in the House bill calling on HUD to examine the feasibility of a computer system that could be used by public housing agencies to comply with HUD's reporting requirements. The conference report does not contain the Senate provision.

Energy Efficiency Efforts Under Troubled Projects Program

Secretarial approval of rents

The Senate amendment, but not the House bill, amended section 201 of the Housing and Community Development Amendments of 1978 to provide that, notwithstanding any other provision of law, in exercising any authority relating to the approval or disapproval or rentals charged tenants residing in projects which are eligible for assistance under this section, the Secretary (A) shall consider whether the mortgagor could control increases in utility costs by securing more favorable utility rates, by undertaking energy conservation measures which are financially feasible and cost effective, or by taking other financially feasible and cost-effective actions to increase energy efficiency or to reduce energy consumption; and (B) may, in his discretion, adjust the amount of a proposed rental increase where he finds the mortgagor could exercise such control. The conference report contains this provision.

Waiver of certain requirements

The Senate amendment, but not the House bill, also contained a provision permitting the Secretary to waive one or more of the requirements of the Troubled Projects Program and to provide financial assistance to an owner of a project which is eligible for assistance under this section in order to assist the owner in carrying out a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary. The conference report contains a provision that projects otherwise eligible for Troubled Projects assistance may, in addition to other amounts specified in statute, receive amounts necessary to carry out a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary.

Kansas Department of Economic Development

The Senate amendment contained a provision instructing the Secretary of HUD to permit the Kansas Department of Economic Development to participate as a public housing agency for the purposes of programs carried out under the United States Housing Act of 1937 and as a state agency for the purpose of section 883.203 of title 24 of the Code of Federal Regulations as in effect June 1, 1981. The House bill contained no similar provisions. The conference report contains the Senate provisions.

Limitation on Appropriations

The Senate amendment contained a provision not in the House bill, providing that no funds may be appropriated pursuant to the amendments made by section 322-1 of the Senate amendment unless the provisions of sections 322-2 through 322-13 of the Senate amendment are enacted. The conference report does not contain the Senate provision.

PURCHASE OF PUBLIC HOUSING OBLIGATIONS

The House bill, but not the Senate amendment, provided that in addition to any authority provided before October 1, 1981, the Secretary of HUD may, on and after October 1, 1981, enter into contracts for periodic payments to the Federal Financing Bank to offset the costs to the Bank of purchasing obligations (as described in the first sentence of section 16(b) of the Federal Financing Bank Act of 1973) issued by local public housing agencies for purpose of financing public housing projects authorized by section 5(c) of the United States Housing Act of 1937. It provided that notwithstanding any other provision of law, such contracts may be entered into only to the extent approved in appropriation Acts, and the aggregate amount which may be obligated over the duration of such contracts may not exceed $400,000,000; and authorized to be appropriated any amounts necessary to provide for such payments. It also provided that such authority to enter into contracts shall be in lieu of any authority (except for authority provided specifically to the Secretary before October 1, 1981) of the Secretary to enter into contracts for such purposes under section 16(b) of the Federal Financ-

ing Bank Act of 1973. The conference report contains the House provision. The Conferees are aware of the concerns of HUD and the OMB regarding HUD's ability to continue to roll over short-term, tax-exempt public housing notes under current market conditions. However, the Conferees note that HUD has available previously appropriated authority and a $1.5 billion line of credit from the Department of Treasury should HUD be unable to refinance its outstanding obligations, and that this amount may be increased at any time by the President.

TENANT PARTICIPATION

The House bill, but not the Senate amendment, contained a provision to limit existing requirements regarding tenants' opportunity to comment to HUD on a multifamily project owner's actions to requests for increases in rents, conversion to other uses, and partial release of security or major physical alterations. The conference report contains the House provision.

FIRE SAFETY

The House bill, but not the Senate amendment, contained a provision that amends the Comprehensive Improvement Assistance Program to provide that assistance for emergency and special purpose needs should be made available to projects especially for emergency and special purpose needs related to fire safety. The conference report contains the House provision.

SECTION 8 ASSISTANCE FOR MANUFACTURED HOMES

The House bill contained a provision not included in the Senate amendment which would permit assistance under the section 8 program to be provided without regard to whether the manufactured home park and the manufactured home units located in the park are existing, substantially rehabilitated or newly constructed. Where assistance is made in the case of units located in a substantially rehabilitated or newly constructed manufactured home park, the principal amount of the mortgage attributable to the rental spaces within the park may not exceed the mortgage amount limit applicable to manufactured home parks described in section 207(c)(3) of the National Housing Act, and the Secretary may increase such limitation in high-cost areas in the manner described in such section. In addition, such assistance could be provided with respect to the rental of a space on which is placed a manufactured home which is rented, as well as owned. In the case of a rented manufactured home, the monthly assistance payment to a family would be the difference between 25 percent of the family's monthly income and the sum of the monthly utility payments made by the family and the maximum monthly rent permitted with respect to the manufactured home and space, except that the assistance may not exceed the total amount of such maximum monthly rent. Finally, any contract for section 8 assistance provided in connection with a substantially rehabilitated or newly constructed manufactured home park may not be less than 240 months nor more than 360 months.

The conference report contains the House provision amended to clarify that (1) the fair market rents for manufactured homes will be established in the same way they are established for other types of housing, (2) in the case of a rented manufactured home, the maximum monthly rent shall be the difference between the rent the family is required to pay under section 3(a) of the United States Housing Act of 1937 (as amended by this title) and the sum of the monthly utility payments made by the family and the maximum monthly rent permitted for a manufactured home and space, and (3) the section 8 contract provided in connection with a substantially rehabilitated or newly constructed manufactured home park may not be less than 240 months nor more than the maximum term for a manufactured home loan permitted under section 2(b) of the National Housing Act.

STUDIES AND REPORTS

Homeownership opportunities

The House bill, but not the Senate amendment, contained a provision requiring the Secretary to undertake a study of the use of the authority under section 8 permitting local public housing agencies to purchase and resell structures to provide eligible tenants with homeownership opportunities and to provide Congress with a legislative proposal establishing a demonstration project for such purpose. The conference report contains the House provision with an amendment providing that the Secretary shall transmit recommendations regarding the establishment of a demonstration project in which the Secretary would utilize section 8(c)(8) for the purpose of increasing homeownership opportunities for lower-income families.

Fire safety

The House bill contained a provision requiring the Secretary to conduct a study and report to Congress not later than six months after the enactment of this Act on the fire safety standards in low-income housing projects. The Senate amendment contained no similar provision. The conference report contains the House provision with an amendment making the report due in one year. The Conferees intend that the study should involve a sample survey regarding the extent to which low-income housing projects fail to meet applicable local fire safety standards as well as related standards under the Comprehensive Improvement Assistance Program.

PART III—PROGRAM AMENDMENTS

FHA EXTENSIONS OF INSURING AUTHORITY

The House bill contained a series of provisions extending for one year all of the mortgage insuring authorities of the HUD Secretary under the National Housing Act. The Senate amendment contained no similar provisions. The conference report contains the House provisions.

The Conferees wish to make clear that sec. 232(b)(2) of the National Housing Act, which authorizes mortgage insurance for intermediate care facilities, is intended to include facilities that provide

off-premises day training for otherwise full-time developmentally disabled residents. When Congress expanded the coverage of section 232 in the Housing and Community Development Amendments of 1978 to include facilities for the resident care of elderly persons and others who are able to live independently but who require care during the day, it did not intend to exclude facilities because their residents receive training, rehabilitation or care outside of the facility during the day. To exclude such facilities from being eligible for sec. 232(b)(2) insurance would be detrimental to many otherwise eligible persons, especially developmentally disabled persons, and would be contrary to the Congressional intent. The standard of "continuous care" required under sec. 232 is satisfied when off-premises day training, rehabilitation or care is provided as part of the total care program of the developmental disabled residents of the facility.

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

The House bill contained a provision extending through September 30, 1982, the Secretary's authority to administratively set the FHA interest rate to meet the market at rates above the statutory maximum of 6 percent. The Senate amendment did not contain a similar provision. The conference report contains the House provision.

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE

The House bill contained a provision extending the Emergency Home Purchase Assistance Act of 1974 through fiscal year 1982. The Senate bill did not contain a similar provision. The conference report does not contain the House provision.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Increase in mortgage purchase authority.—The House bill contained a provision to increase GNMA's mortgage purchase authority under the Special Assistance Functions by $1.1 billion on October 1, 1981. The Senate amendment contained a similar provision, except that it increased GNMA's authority by $2,300,000,000 on October 1, 1981, and provided that not more than $942,800,000 of that amount shall be available for the purchase of or commitments to purchase mortgages secured by projects which do not contain units assisted under sec. 8 of the U.S. Housing Act of 1937. The conference report contains the House provision.

Limitation on purchase commitments.—The House bill also included a provision not contained in the Senate bill providing that (1) during fiscal year 1982, GNMA may not enter into commitments to purchase mortgages, with an aggregate principal amount in excess of $1,973,000,000; and (2) that such amount shall not include any authority to enter into commitment which was authorized for use during fiscal year 1981 but was not utilized during such year. The conference report contains the first part of the House provision with an amendment to provide that, in addition, GNMA may not enter into commitments to purchase mortgages secured by projects which do not contain units assisted under sec. 8

of the U.S. Housing Act of 1937 with an aggregate principal amount in excess of $580 million.

The conferees believe that this limitation will be sufficient to finance those projects that will reach FHA firm commitment during fiscal year 1982. The Senate conferees believe that no more than an additional $1.2 billion in mortgage purchase commitments will be necessary with respect to the Tandem pipeline for fiscal year 1983.

Mortgage sales

The House bill, but not the Senate amendment, contained a provision to require the Government National Mortgage Association to sell, during fiscal year 1982, mortgages of at least $2,000,000,000 which were purchased under section 305 of the FNMA Charter Act. The conference report does not contain this provision.

Mortgage-backed securities

The House bill contained a provision to provide that GNMA may enter into commitments to issue guarantees under the Mortgage-Backed Securities Program not to exceed $69,542,000,000. The Senate amendment contained no similar provision. The conference report contains the House provision.

Conditions on purchase of mortgages

Order of purchase commitments.—The House bill, but not the Senate amendment provided that in entering into commitments to purchase below-market, Tandem plan mortgages (during the period beginning June 15, 1981, and ending October 1, 1982) under sec. 305 of the Federal National Mortgage Association Charter Act, GNMA may enter into such commitments only with respect to multifamily projects for which firm commitments for mortgage insurance under title II of the National Housing Act have been made by the Secretary of HUD before the expiration of the 90-day period beginning on the date of the enactment of this Act. Commitments by the Association shall be made with respect to such projects in the order in which such projects received such firm commitments from the Secretary. The conference report contains the House provision amended to provide that GNMA, in entering into commitments to purchase Tandem plan mortgages from the date of enactment through fiscal year 1982, may enter into commitments only with respect to projects for which firm commitments for title II mortgage insurance have been made by the Secretary of HUD. The conference report also provides that the Secretary of HUD shall continue to process applications for mortgage insurance for a reasonable period which will continue for not less than 90 days during fiscal year 1982. The conferees expect that GNMA will not be precluded from making commitments from the date of enactment through the period which could end 90 days after the beginning of fiscal year 1982. However, it is also expected that projects that receive a firm commitment from FHA between the date of enactment and the period that will extend at least through December 29, 1981, will be able to apply for GNMA funds made available for fiscal year 1982.

Type of insurance commitment and effective date.—The House bill contained two provisions not included in the Senate amendment. The first provision required that in making commitments to

purchase mortgages during fiscal year 1982 and in processing firm commitments for mortgage insurance for such mortgages, GNMA and the Secretary of HUD, respectively, shall not (during the period beginning June 15, 1981, and ending October 1, 1982) make any distinction, based on the receipt of a conditional commitment for such insurance, between applicants who have received such a conditional commitment and applicants who received notification from the Secretary that receipt of such a conditional commitment was not a prerequisite to their obtaining a firm commitment for such insurance. The second provision made these changes effective as of June 15, 1981. The conference report does not contain either of these provisions.

The conferees are concerned with the impact of FHA's February 13, 1981, notice (that only multifamily projects that were in a stage of conditional commitment, application in process, or beyond prior to that date could continue to be processed on the assumption that GNMA Tandem financing would be available) on developers of insured multifamily projects who were encouraged by FHA to by-pass FHA review at the conditional commitment stage and to proceed directly to firm commitment. The conferees expect that FHA, in continuing to process insured multifamily projects, and GNMA, in making such mortgages eligible to apply for purchase commitments, not discriminate between those projects that had a conditional commitment and those that were encouraged to by-pass that processing stage. In addition, it is expected that GNMA will not preclude a project from eligibility for a GNMA purchase commitment if that project received an FHA firm commitment for mortgage insurance within the time period which is no less than 90 days after the beginning of fiscal year 1982.

FHA GENERAL INSURANCE FUND

The House bill contained a provision to increase the existing overall limitation on appropriations authorized to cover losses of the FHA General Insurance Fund by $127,248,000 on October 1, 1981. The Senate amendment contained no similar provision. The conference report contains the House provision amended to increase the limitation by $126,673,000 on October 1, 1981.

LIMITATION ON FHA INSURANCE AUTHORITY

The House bill contained a provision which provided that during fiscal year 1982, the Secretary may not enter into comitments to insure under the National Housing Act loans and mortgages with an aggregate principal amount in excess of $41 billion. The Senate amendment contained no similar provision. The conference report contains the House provision.

SECTION 202 HOUSING FOR THE ELDERLY OR HANDICAPPED

Authorization

The House bill contained a provision to increase the limits on authority to borrow (subject to appropriations) for the Section 202 Program to $5,551,348,000 on October 1, 1981. The Senate amendment contained a similar provision, except that it retained the pro-

vision in current law to increase the limit to $5,752,500,000 on October 1, 1981, and provided further that the limit be increased to $6,102,500,000 on October 1, 1982. The conference report contains the Senate provision amended to delete the fiscal year 1983 increase.

Gross loan limitation

The House bill contained a provision which provided that not more than $850,848,000 may be approved in appropriation Acts for loans under section 202 for fiscal year 1982. The conference report contains the House provision.

RESEARCH AUTHORIZATION

The House bill contained a provision authorizing $25 million for research for fiscal year 1982. The Senate amendment authorized $35 million for each of fiscal years 1982 and 1983. The conference report contains the Senate provision amended to delete the fiscal year 1983 authorization.

AMENDMENTS RELATING TO MANAUFACTURED HOME AND PROPERTY IMPROVEMENT

General home improvement loans for single family homes

The Senate amendment contained a provision not contained in the House bill to amend section 2(b) of the National Housing Act to increase the maximum loan limits on property improvements from $15,000 to $17,500 ($20,000 where financing the installation of a solar energy system) for existing single family structures or manufactured homes. The conference report contains the Senate provisions.

General home improvement loans for apartments

The Senate amendment contained a provision not contained in the House bill to amend section 2(b) of the National Housing Act to increase home improvement loan limits from $37,500 to $43,750 for the entire building or from $7,500 per family unit to $8,750 per family unit ($50,000 and $10,000 per family unit where financing installation of a solar energy system) for an existing structure to be used as an apartment house for two or more families. The conference report contains the Senate provision.

Loans for manufactured homes

The House bill contained a provision not contained in the Senate amendment to amend section 2(b) of the National Housing Act to increase the maximum insurable loan amounts from $20,000 to $22,500 for a single module manufactured home, and from $30,000 to $35,000 for a manufactured home with two or more modules. The conference report contains the House provision.

Loans for manufactured homes and lots

The House bill contained a provision not contained in the Senate amendment to amend section 2(b) of the National Housing Act to increase the maximum insurable loan amounts for a manufactured home and lot from $30,550 to $35,000 for single module and lot, and

from $40,550 to $47,500 for two or more modules and lot. The conference report contains the House provision.

Loans for manufactured home lots

The House bill contained a provision not contained in the Senate amendment to amend section 2(b) of the National Housing Act to provide the maximum insurable amount for the purchase of a lot on which to place a manaufactured home be increased from $6,950 in the case of an undeveloped lot and from $10,425 in the case of a developed lot to a maximum of $12,500 for a suitably developed lot. The conference report contains the House provision.

Increase in loan amounts for lots in high-cost areas

The House bill contained a provision not contained in the Senate amendment amending section 2(b) of the National Housing Act to allow the Secretary to increase the maximum loan amounts by up to an additional $7,500, in areas where an increase is needed to meet the higher costs of land acquisition, site development, and construction in connection with the purchase of a manufactured home and lot or a lot alone. The conference report contains the House provision.

Increase maximum maturity on manufactured home loan

The House bill contained a provision not contained in the Senate amendment amending section 2(b) of the National Housing Act to provide an increase from 15 to 20 years for the maximum maturity of an insurable loan to finance the purchase of a single module manufactured home. The conference report contains the House provision.

Condominium interest or cooperative share

The Senate amendment contained a provision not contained in the House bill to amend section 2(b) of the National Housing Act to define the term "developed lot" to include an interest in a condominium project or share in a cooperative association. The conference report contains the Senate provision.

Manufactured home loans allowance for appurtenances

The Senate amendment contained a provision to permit loans made to finance the purchase of a manufactured home with or without a lot to include the purchase of a garage, patio, carport or comparable appurtance. The House bill contained no similar provision. The conference report contains the Senate provision with an amendment that permits such a loan if it is secured by a first lien.

Title I insurance available for refinancing

The House bill contained a provision not contained in the Senate amendment to amend section 2(b) of the National Housing Act to provide that Title I insurance be available for the refinancing of a lot owned by an individual (and purchased without Title I assistance but otherwise meeting the requirements of this section) when the refinancing is made in connection with the purchase of a manufactured home and the borrower certifies that the home and lot are, or within 6 months after the date of the loan will be, his or

her principal residence. The conference report contains the House provision.

Increase in maximum loan limit for manufacturers home parks

The House bill contained a provision not contained in the Senate amendment to amend section 207(c)(3) of the National Housing Act to increase the maximum loan amount which may be insured in connection with a manufactured home park from $8,000 to $9,000 per manufactured home space. The conference report contains the House provision.

Model manufactured housing zoning code

The Senate amendment contained a provision not included in the House bill which directed the Secretary of HUD to develop a model manufactured housing zoning code. The conference report does not contain this provision.

Mortgage insurance for condominiums

The Senate amendment contained a provision to include manufactured home condominiums in the provision of mortgage insurance for condominiums under section 234 of the National Housing Act. The House bill contained no similar provision. The conference report provides that a condominium eligible for insurance may include a project in which the dwelling units are attached, semi-attached or detached. A manufactured home condominium may be insured under this provision if it meets all of the requirements of section 234, including the requirement that the structure meet the FHA minimum property standards.

HOUSING COUNSELING ASSISTANCE

Authorization

The House bill contained a provision authorizing to be appropriated not to exceed $6 million for housing counseling services for fiscal year 1982. The Senate amendment contained no provision. The conference report contains the House provision amended to authorize to be appropriated not to exceed $4 million for housing counseling services for fiscal year 1983.

Limitation on use of funds

The Senate amendment, but not the House bill, contained a provision that limited the use of housing counseling funds to default and delinquency counseling for homeowners. The conference report does not contain the Senate provision.

LOWER COST TECHNOLOGY

The Senate amendment contained a provision authorizing the Secretary of HUD to develop and implement a demonstration program utilizing lower cost building technology for projects located in innercity vacant lots. The House bill contained no similar provision. The conference report contains the Senate provision.

REDUCTION OF 1981 AUTHORITY

The Senate amendment contains a provision to rescind the authority of the Secretary to obligate $5,552,000,000 of budget authority appropriated for fiscal year 1981. The House bill contained no similar provision. The conference report contains the Senate provision amended to provide that the provision becomes effective on the date of enactment of this Act.

NATIONAL INSTITUTE OF BUILDING SCIENCES

Authorization

The House bill contained a provision to limit the authorization for the National Institute of Building Sciences to $500,000 for each fiscal years 1982, 1983 and 1984. The Senate amendment contained no similar provision. The conference report contains the House provision. The Conferees expect the National Institute of Building Sciences to become financially self-sustaining by the beginning of fiscal year 1985 and that no further appropriations of Federal funds will be necessary.

Composition of Board

The House bill contained a provision requiring that after the first 5 years of its operation two members representing the public interest will be appointed to the Board of the National Institute of Building Sciences by the President of the United States. The Senate amendment contained no similar provision. The conference report contains the House provision.

NEW COMMUNITIES FUND

The House bill contained a provision that was not contained in the Senate amendment to provide not more than $30 million in additional authority that the Secretary may obligate for the New Communities Fund for fiscal year 1982. The conference report contains the House provision with an amendment to provide $33,250,000 of additional authority for the Fund for fiscal year 1982. The Conferees note that with revenues of $10 million from collections, $43,250,000 will be available for fiscal year 1982 to finance necessary activities from the Fund. The Conferees are concerned, however, that this authority to obligate funds from the U.S. Treasury for certain new communities program purposes be utilized in a prudent manner. Treasury and new community debenture interest payments and redemption of new community debentures constitute the only obligations that must be met from the Fund, and the Conferees believe these are adequately covered for fiscal year 1982. These include funds for program staff, consultant and project operations. Any reductions resulting from the action taken by the Conferees are expected to be made from these particular discretionary program cost items.

PURCHASER-BROKER ARRANGEMENT

The House bill contained a provision that permits the Secretary to include in the principal amount to be insured by FHA any sum

paid by the buyer to a broker who has been an agent of the buyer in the purchase of a one- to four-family unit. The Senate amendment contained no similar provision. The conference report contains the House provision with an amendment that limits the principal amount of the mortgage, when the broker's fee is included, to the maximum mortgage amount provided in title II.

MORTGAGE INSURANCE FOR HOSPITALS

The Senate amendment contained a provision that gives the Secretary of HUD authority to approve a mortgage increase for changes approved by the Secretary on any hospital mortgage which uses tax-exempt financing and is eligible for insurance under section 242(d)(5) when the application for such increase has been made within 2 years of enactment. The House bill contained no such provision. The conference report contains the Senate provision with an amendment that deletes the 2-year application deadline and clarifies that such mortgage increase may not be approved for the cost of constructing any improvements not included in the original plans and specifications approved by the Department of Health and Human Services, unless such increase is approved by the Secretary of Housing and Urban Development and by the Secretary of Health and Human Services.

HUD SALARIES AND ADMINISTRATIVE EXPENSES

The House bill contained a provision authorizing to be appropriated not to exceed $513,037,000 for HUD administrative and nonadministrative expenses for fiscal year 1982. The Senate amendment contained no similar provision. The conference report does not contain the House provision.

CONGREGATE SERVICES PROGRAM

The House bill, but not the Senate amendment, contained a provision to delete from existing law the fiscal year 1982 authorization of $40 million for the congregate services program. The conference report does not contain this provision.

FHA SINGLE-FAMILY MORTGAGE LIMITS

The House bill contained a provision to increase the insurable mortgage amounts on one- to four-family residences in high-cost areas from 133⅓ percent of the specified dollar amount to 148 percent. The Senate amendment contained no similar provision. The conference report does not contain the House provision.

Last year, the Congress authorized a method by which the FHA mortgage limits under section 203(b) of the National Housing Act could be established on an area-by-area basis to accommodate the needs of moderate- and middle-income persons whose housing opportunities are limited due to the high prevailing prices of houses. This was accomplished by permitting the Secretary to increase the mortgage limit up to the greater of 95 percent of the area's basic median sales price or 133⅓ percent of the basis statutory limit. While the Congress intends that the concept of "median sales price" refer to the median of the aggregated sales prices of new

and existing homes, in cases where the median one-family home price does not reasonably reflect the sales prices of newly constructed homes because of an existing stock whose value is static or declining, the conferees expect the Secretary to give greater weight to the sales prices of new homes in determining median sales price in such cases, so that the housing opportunities of moderate- and middle-income persons will be maximized.

COMPILATION OF BASIC LAWS

The Senate amendment contained a provision directing HUD to publish a new edition of the basic laws reflecting changes and additions necessitated by this Act. It also provided that the new edition include annotations reflecting periodic changes to basic laws and a description of provisions which are replaced or amended, and be ready within 180 days after enactment of this Act; and that a revised edition shall be published within 180 days of any later housing and community development housing authorization. The House bill contained no similar provision. The conference report does not contain the Senate provision.

PART IV—FLOOD, CRIME, AND RIOT REINSURANCE

FLOOD INSURANCE

Flood insurance studies

The House bill contained a provision not contained in the Senate amendment which authorizes to be appropriated not to exceed $42,600,000 for flood elevation studies. The conference report contains the House provision.

Flood insurance extensions

The House bill contained a provision not contained in the Senate amendment which extends the program expiration date after which no new contracts may be entered into until September 30, 1982, and extends the Emergency Implementation of the Program until September 30, 1982. The conference report contains the House provision with an amendment authorizing the Director of FEMA to hold harmless agents and brokers who sell flood insurance from any judgments for damages against such agents and brokers as a result of any court actions by policyholders or applicants resulting from errors or omissions on the part of FEMA, providing court costs and reasonable attorney fees arising out of errors or omissions on the part of FEMA and its contractors, further providing that agents and brokers may not be held harmless by FEMA for their own errors or omissions.

Limitations on flood insurance funds

The House bill contained a provision, not contained in the Senate amendment, amending the National Flood Insurance Act to provide that with respect to any fiscal year beginning on or after October 1, 1981, the National Flood Insurance Fund shall be subject to appropriations for all purposes except for the adjustments and payment of claims. The conference report contains the House provision.

The Conferees are aware of certain transitional problems in FY 1982 with respect to agents' commissions and fees, payment to the Treasury of interest on existing borrowing, and claims under the hold-harmless agreement as set forth in section 341(c)(2) of this act. The Conferees support any effort on the part of the Conference on HUD-Independent Offices Appropriations to resolve these transitional problems by approving payment of those expenses.

Purchase and elevation of certain flood damaged property

The House bill contained a provision, not contained in the Senate amendment, which limited to the principal residence of the owner, the authority under the National Flood Insurance Act of 1968 to purchase certain severely flood damaged property or to provide a two percent loan for purposes of elevating the property. The conference report does not contain the House provision. However, the Conferees direct the FEMA, in utilizing this authority in a particular area and when the funds available are insufficient to accommodate all affected properties, to give priority to property which is the principal residence of the owner. FEMA is also directed to use this authority only where it determines that such a purchase or loan for purposes of elevating the property is of financial benefit to the Federal Government. The Conferees believe that financial benefit to the Federal Government would be found in cases where the high degree of risk of further flood related loss makes the purchase or elevation of the property less expensive than continued flood insurance coverage at the existing elevation level.

Undeveloped coastal barriers

The House bill contained a provision, not contained in the Senate amendment, providing that no new flood insurance coverage can be provided for any new construction or substantial improvements of structures located on undeveloped coastal barriers designated by the Secretary of the Interior. For purposes of this section, coastal barrier means:

—depositional geologic features consisting of unconsolidated sedimentary materials subject to waves, tidal and wind energies and protects landward aquatic habitats from direct wave attack;

—all associated aquatic habitats including wetlands, marshes, estuaries, inlets and nearshore waters;

—coastal barrier or portion thereof shall be treated as undeveloped only if there are few people made structures and human activities do not impede geomorphic and ecological processes.

The provision also required the Secretary of the Interior to designate these areas within 90 days of date of enactment.

The conference report contains the House provision with an amendment providing that this prohibition for new flood insurance on undeveloped barrier islands shall not be effective until October 1, 1983. The conference report contains a further amendment directing the Secretary of the Interior to conduct a study for purposes of designating the undeveloped coastal barriers which will be designated by this section, and that not later than one year after the enactment the Secretary shall submit to the Congress a report

of the findings and conclusions of this study, together with any recommendations regarding the definition of term "coastal barrier".

The Conferees note that in 1981, in response to a request from the Congress, the Department of the Interior developed a list of undeveloped coastal barriers which may meet the criteria in this section. The Conferees expect that this inventory may provide a basis for the designations by the Secretary. However, the Conferees expect the Secretary to review carefully the definition contained in section 1321 in preparing the report of findings and proposed designations of areas covered in this section. Further, such designations shall be published in the Federal Register after appropriate notice and opportunity for public comment.

The conference report also contains an amendment that, with regard to undeveloped barrier islands that will not be eligible for flood insurance, federally insured financial institutions may make loans secured by structures on these barrier islands.

The conference report also requires that coastal barriers which are included within the boundaries of an area established under federal, State, or local law, or held by a qualified nonprofit organization, primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes shall not be designated as an undeveloped coastal barrier for purposes of the prohibition of flood insurance. It is the intention of the Conferees that a qualified nonprofit organization is one which has the intent and capability to maintain the natural character of coastal barrier ecosystems.

CRIME AND RIOT REINSURANCE

The House bill contained a provision, not contained in the Senate amendment, extending the authority for crime insurance through September 30, 1982, extending the authority for riot reinsurance through September 30, 1982, and authorizing crime and urban riot reinsurance coverage through September 30, 1985. The conference report contains the House provision with an amendment deleting the so-called Holtzman amendment to the Urban Riot Reinsurance Program which barred rates on FAIR Plan policies from exceeding those rates or advisory rates set by the principal State-licensed rating organization for essential property insurance in the voluntary market. The Conferees direct the Administration of FEMA to study FAIR Plan rate structures and the adequacy of the national insurance development fund to continue to fund claims under the Crime Insurance Program, and to report back to the Congress by July 1, 1982. It is the expectation of the Conferees that the deletion of the Holtzman amendment will offer those States which have dropped out of the Reinsurance Program an opportunity to reenter, thereby increasing the reserves in the National Insurance Development Fund. Increased reserves in this Fund could provide increased resources to continue funding crime insurance claims and keep the Reinsurance rates at a reasonable level.

PART V—RURAL HOUSING

Guaranteed loan authorization

The House bill contained a provision not contained in the Senate amendment which deleted the amounts specified in existing law for

above-moderate income guaranteed loans that may be available from the overall FmHA insured and guaranteed loan authority. The conference report contains the House provision.

Individual program authorizations

Section 504 repair loans and grants.—The house bill contained a provision which provided not to exceed $50 million for section 504 home repair loans and grants for fiscal year 1982, of which not more than $25 million shall be available from grants. The Senate amendment contained a provision which provided not to exceed $49 million in all, of which $25 million is for grants and $24 million for section 504 loans. The conference report contains the House provision.

Section 516 farm labor housing grants.—The House bill contained a provision which provided $25 million for domestic farm labor housing grants for fiscal year 1982. The Senate amendment contained a similar provision except that only $24 million was provided for fiscal year 1982. The conference report contains the House provision.

Section 525(a) supervisory and technical assistance grants.—The House bill contained a provision not contained in the Senate amendment which provided for fiscal year 1982, $2 million for rural housing technical assistance grants of which not less than $1 million shall be used for counselling purchasers and delinquent borrowers. The conference report contains the House provision.

Construction defects payments and compensation.—The Senate amendment contained a provision not included in the House bill which provided a direct authorization for appropriation of $2 million for fiscal year 1982 for payments for construction defects made pursuant to section 509(c) of existing law. The conference report contains the Senate provision.

Rental assistance payments.—The House bill contained a provision which extended for one year (through fiscal year 1982) the Secretary's authority to enter into rental assistance payments contracts but deleted the clause in existing law that would reduce the amount available for rental assistance payments by any amount approved in the appropriations Acts for Homeownership Assistance Payments (HOAP) to section 502 borrowers pursuant to section 521. The Senate amendment contained a similar provision except that it did not delete the clause related to HOAP. The conference report contains the House provision.

Mutual and self-help housing

Grant and authorizations and restrictions.—The House bill contained a provision which extended through fiscal year 1982 the authorization in existing law for $5 million in appropriations for mutual and self-help housing assistance grants pursuant to section 523(f). The Senate amendment contained a similar provision except that in addition grant funds were prohibited from being available for self-help site and acquisition loans made pursuant to section 523(b)(2)(B). The conference report contains the House provision.

Land development fund—

Authorization.—The House bill contained a provision which provided, to the extent approved in appropriation Acts, an authoriza-

tion for fiscal year 1982 of $3 million to add to the capitalization of the Mutual Self-Help Housing Land Development Fund. The Senate amendment contained a similar provision except that only $1 million was authorized and the provision was not limited "to the extent approved in appropriation Acts." The conference report contains the House provision.

Limit of activity.—The House bill contained a provision not contained in the Senate amendment which limited to $5 million the amount of site and acquisition loans that may be made from the Fund in fiscal year 1982. The conference report contains the House provision.

Definition of low income

The Senate amendment contained a provision not contained in the House bill which amended the existing definition of the terms "persons of low income" and "persons and families of low income" to mean persons and families whose incomes do not exceed those levels established for any area by the Secretary with adjustments for smaller and larger families. The conference report does not contain the Senate provision. The conferees urge the Secretary of Agriculture to expeditiously issue the regulations implementing sub-State area based income eligibility limits in accordance with existing law. The Conferees wish to make clear that, for the purposes of establishing income eligibility limits under title V, the Secretary may ignore state boundaries in defining the area and shall not utilize an entire state as an area. It is expected that the Secretary shall define areas according to their income and cost characteristics. Within these limitations the Secretary has the authority to define areas in a manner consistent with administrative efficiency.

Reports

The Senate amendment contained a provision not contained in the House bill which provided that the Secretary of Agriculture shall transmit a report to the Congress not later than March 1, 1982, containing: various options for presenting the budget of the Farmers Home Administration and alternatives to the use of Federal Financing Bank financing for rural housing programs; workable definitions of "low income" which will target Farmers Home Administration housing assistance programs to a population substantially equivalent to the population served by the Department of Housing and Urban Development's assisted housing programs; the effect of a requirement that 30 per centum of assistance provided by the Farmers Home Administration be provided to families with incomes at or below 50 per centum of area median income and recommendations for rent contribution requirements which will achieve equity with the contribution requirements of the Department of Housing and Urban Development's assisted housing programs; recommendations for insuring that subsidy levels for assisted families are minimized and that assisted families within similar circumstances in different regions of the country are treated equally; and a description of the Farmers Home Administration's efforts to minimize the cost of housing subsidized under its programs and of the Farmers Home Administration's use of existing

lower cost housing technology. The conference report contains the Senate provision.

PART VI—MULTIFAMILY MORTGAGE FORECLOSURE

The Senate amendment contained a title not included in the House bill which provided a uniform nonjudicial procedure, which preempts a variety of state laws, for foreclosing FHA-insured or HUD-assisted multifamily properties which are held by the HUD Secretary and which are in default. The conference report includes the Senate provisions with two modifications. The Senate amendment provided that as a condition and term of the foreclosure sale, the Secretary may require that the purchaser agree to continue to operate the property in accordance with the terms, as appropriate of the section 312 loan program, the title II insurance program under which the property was originally insured or any applicable agreement in effect immediately prior to the foreclosure. The conference agreement contains this provision amended to provide that in any case where a majority of the residential units in the property are occupied by residential tenants at the time of sale, and the purchaser is not the Secretary of HUD, the Secretary shall require the property to be operated according to the appropriate terms of prior programs. In addition, in any case where the Secretary of HUD is the purchaser, the Secretary is required to operate the property in accordance with section 203 of the Housing and Community Development Amendments of 1978 which defines the federal policy regarding the management, preservation and disposition of HUD-owned multifamily housing projects. The amendment is intended to assure wherever possible and practicable that the multifamily properties be preserved as low or moderate income rental housing. The Conferees are concerned that HUD take steps to assure that property owners not intentionally evict residential tenants prior to the foreclosure sale in order to avoid the mandatory requirements of this section regarding the use of the property after foreclosure. In addition, where less than a majority of the residential units are occupied by residential tenants at the time of foreclosure and the financial problems affecting the project are related to the mismanagement by the owner and not to circumstances beyond the owner's control, the Conferees urge the Secretary to exercise his discretion to require the continued operation of the project under the appropriate terms of the original insurance or assistance program.

The second amendment included in the conference report provides that a purchaser at the foreclosure sale shall be entitled to possession of the property upon passage of title, subject to any interests senior to the mortgage and subject to the terms of any residential tenant's lease, for the remaining term of such lease or for one year, whichever period is shorter.

PART VII—EFFECTIVE DATE

The House bill contained a provision not included in the Senate amendment which established October 1, 1981, as the effective date for changes made by this subtitle. The conference report contains the House provision amended so that, except as otherwise provided

in the subtitle, October 1, 1981, will be the effective date and the amendments made by sections 324, 325 and 326(a) will apply only with respect to contracts entered into on and after October 1, 1981.

SUBTITLE B—BANKING AND RELATED PROGRAMS

Export—Import Bank

The Senate Amendment provided a limit on direct loans for fiscal year 1981. The House bill had no similar provision. The Senate receded to the House.

The House bill provided a direct loan limit of $5.065 billion for fiscal year 1982 and a limit of $5.413 billion for fiscal year 1983. The Senate amendment provided the same aggregate amount for the two years, and "designated" the same amounts for each fiscal year. However, the Senate amendment permitted the Administration, under extraordinary circumstances, to use amounts designated for one year to be used in another year if necessary to enhance the negotiating position of the United States delegation to the OECD export credit negotiations. The House receded to the Senate.

The House bill provided a direct loan limit for fiscal year 1984. The Senate amendment had no similar provision. The House receded to the Senate.

The House bill required the Secretary of the Treasury to transmit to the Congress a report on the status of negotiations to reform existing international agreements on export credit by March of 1982. The report would include a recommendation as to whether the Congress should enact legislation to enhance the ability of the Export-Import Bank to offer credit fully competitive with the subsidized export credit offered by other governments, in order to improve the prospects for a successful conclusion of these negotiations.

The Senate amendment had not similar provision. The Senate receded to the House with the amendment which provided that the report will be submitted by December 15, 1981.

Tresury, Office of the Secretary

The House bill limited, for the fiscal years 1982, 1983, and 1984, the authorization for the salaries and expenses of the Office of the Secretary of the Treasury. The limits are $32,760,000 for 1982, $33,516,000 for 1983, and $34,252,000 for 1984.

The Senate amendment has no similar provisions. The House receded to the Senate.

Treasury International Affairs Authorization.

The House bill authorized, for fiscal year 1982, $22,962,000 to be appropriated for the international affairs administrative expenses for the Treasury Department.

The Senate amendment had no similar provisions. The Senate receded with an amendment that provided an authorization of $23,896,000 and provided a permanent authorization for that part of the Treasury.

Subtitle B—Banking and Related Programs

Bureau of Government Financial Operations—Salaries and Expenses

The House bill limited, for the fiscal years 1982, 1983, and 1984, the authorization for the salaries and expenses of the Bureau of Government Financial Operations, the Treasury's government-wide disbursing, banking and bookkeeping function. The limits were $154,869,000 for 1982, $162,837,000 for 1983, and $170,610,000 for 1984.

The Senate amendment contained no similar provision. The House receded to the Senate.

New York City Loan Guarantee Program—Salaries and Expenses

The House bill limited, for fiscal years 1982, 1983, and 1984, the authorization for the salaries and expenses to carry out the New York City Loan Guarantee Act of 1978. The limits were $891,000 for 1982, $963,900 for 1983, and $1,028,700 for 1984.

The Senate amendment contained no similar provision. The House receded to the Senate.

Chrysler Corporation Loan Guarantee Program—Salaries and Expenses

The House bill limited, for fiscal years 1982, 1983, and 1984, the authorization for the salaries and expenses to carry out the Chrysler Corporation Loan Guarantee Act of 1979. The limits were $1,291,000 for 1982, $1,319,400 for 1983, and $1,347,300 for 1984.

The Senate amendment had no similar provisions. The House receded to the Senate.

Bureau of the Mint—Salaries and Expenses

The House bill terminated the permanent authorization for appropriations for salaries and expenses of the Bureau of the Mint (31 U.S.C. 369). It authorized an appropriation of $52,206,000 for fiscal year 1982.

The Senate amendment had no similar provisions. The Senate receded to the House with an amendment providing a FY 1982 authorization of $54,706,000.

Council on Wage and Price Stability Authorization

The House bill repealed the authorization for the Council on Wage and Price Stabilization.

The Senate amendment had no similar provision. The Senate receded to the House.

Usury Provision

The Senate amendment contained a provision which made it clear that manufactured homes are considered "real estate" for purposes of the override of state usury laws provided in the depository institutions deregulation and Monetary Control Act.

The House bill contained no similar provision. The House receded to the Senate.

Five-Year Reserve Transition Rule for Hawaiian Financial Institutions

The Senate amendment provided that Federally-chartered non-Federal Reserve member depository institutions and nonmember depository institutions chartered by states other than Hawaii would be permitted the same 5-year exemption from reserve requirements that the Monetary Control Act gave to state-chartered banks in Hawaii.

The House bill contained no similar provision. The House receded with a technical amendment. This amendment insures that all depository institutions that were brought under reserve requirements for the first time by the Monetary Control Act have the same phase-in now granted to state-chartered nonmember commercial banks in the state. It retains the stipulation in the Senate amendment that only deposits taken in Hawaii are covered by the special exemption.

Subtitle C—National Consumer Cooperative Bank Act Amendments

The National Consumer Cooperative Bank was chartered by the Congress in 1978 as a credit facility for cooperatives formed by senior citizens, students, inner city residents, rural craftsmen, suburban families, workers and other consumers in communities across the nation. The cooperatives, operating under democratic principles including one-member, one-vote, provide their members a variety of consumer goods and services including housing, health, and food. Under the 1978 Bank Act, the original capitalization was to be provided from appropriated funds with the money to be repaid as cooperatives borrowed from the Bank. The Act provided that the cooperatives would gradually assume control of the Bank and operate it under an elected board of persons with background in cooperatives.

The House provided for continued funding of the Bank including the Office of Self-Help Development which assists newly developing low-income cooperatives. The House bill clarified the original Act to assure that the public could invest in the Bank, but made no substantive changes in the authorities of the Bank as provided in Public Law 95-351.

The Senate adopted provisions terminating the Bank's authority to make loan commitments and ending the institution's authority to obtain funds through the sale of bonds or other obligations. The Senate provisions required that the Bank return to the Treasury all amounts received as repayments from cooperatives on principal and interst on loans previously made by the Bank.

Action of the Conference

The Conferees agreed to a substitute providing for an orderly conversion of the Bank from a mixed ownership Government corporation to a private bank owned and controlled by its cooperative stockholders and eligible to borrow funds in the private market.

The amendment, adopted by the conferees, provides two possible triggers for the conversion of the Bank to private status. The amendment provides that the conversion shall occur either on De-

cember 31, 1981 or, in the alternative, no later than 10 days after the first act providing appropriations for FY 1982 for Department of Housing and Urban Development and Independent Agencies. The conversion to private status would occur on whichever is the latest of the two dates.

The conversion will be accomplished by the Bank's exchange of Class A notes for Class A stock held by the Secretary of the Treasury. On the redemption of the Government's stock in this manner, the Bank shall be under the control of the cooperative stockholders and the Federal Government will not be responsible for obligations of the Bank incurred after that date and the Bank will not be considered a Federal agency. The Secretary of the Treasury is required to transfer all funds appropriated for the Bank for FY 1981 and FY 1982 to the Bank in a timely manner so that the conversion to a private institution may take place expeditiously. It is the intention of the Managers of the Conference that the Bank and the Treasury Department coordinate these activities and that the present board of directors adopt by-laws to assure the orderly transition of the Bank to a private status without delay.

The amendment provides no further authorizations after FY 1982, but the conferees believe the FY 1981 and FY 1982 funding is essential if the Bank is to have an adequate, if limited, capital base for the conversion to private status and the ability to meet the Act's requirements for mandatory repayments of the Government's debt.

Until September 30, 1990, repayment of the Class A notes issued to the Treasury in exchange for the stock will be accomplished in the same manner prescribed in the original Bank Act (P.L. 95-351), except that 30 percent of the proceeds from sales of non-voting stock shall also be paid into the Treasury as payments on the notes. After September 30, 1990, the Bank is required to maintain a repayment schedule that will assure retirement of the Class A notes by no later than December 31, 2020.

The amendment, adopted by the conferees, will allow the cooperatives to elect 12 of the 15 members of the Board which will govern the Bank. The remaining three will be appointed by the President of the United States and his appointments must include a representative of the small business community and another representing low-income cooperatives.

The Bank will be treated as a cooperative for Federal tax purposes and will continue its exemption from state and local taxes except real estate taxes.

The Farm Credit Administration, which oversees credit entities with structures similar to the Consumer Cooperative Bank, and the General Accounting Office, are given authority for examinations and audits of the Banks. Reports from these examinations and audits are to be forwarded to the Congress.

While retaining requirements that recipients of loans and assistance from the Bank be operated under principles of economic democracy, the conference adopted provisions from the Senate-passed bill which would make a non-profit housing cooperative in existence on March 21, 1980, eligible under the Act although its organizational form did not meet the specific one-vote, one person structure. The conferees also agreed to a modification of requirements that a federation of cooperatives be entirely owned by cooperatives

to be eligible for loans from the Bank. The conference, instead, provided that such organizations be primarily owned by eligible cooperatives if they are to qualify. It is the intention of the Managers of the Conference that primarily owned be defined as an organization which derives at least 80 percent of its revenues from entities which are truly non-profit cooperatives as defined in Section 105 of the National Consumer Cooperative Bank Act. It is not the intention of the conferees that the Bank deviate from its primary role as a lender to true cooperative entities, as defined in the Act, as it moves from mixed-ownership to private status.

The conferees adopted provisions which would move all functions of the Office of Self-Help Development and Technical Assistance into a non-profit corporation. The corporation will carry out all the functions contained in Title Two of the National Consumer Cooperative Bank Act, as a source of credit and assistance for newly developing and low-income cooperatives. It is intended that the "eligible cooperatives" referred to in the sections incorporated in the non-profit corporation be defined by Section 105 of the Bank Act. Section 203 of the Bank Act, incorporated as part of the powers of the non-profit corporation, provides guidelines for eligibility of low-income cooperatives to receive assistance from the corporation. The corporation will be accorded tax-exempt status under 501(c)(3) of the Internal Revenue Code and that status will continue pending final IRS determination on the formal application to be filed after formation of the corporation. The corporation will carry out all the functions and retain all the powers now accorded it under Title II of the National Consumer Cooperative Bank Act and all these functions shall be regarded as charitable purposes under 501(c)(3) of the Internal Revenue Code for this particular non-profit corporation.

The Managers of the Conference intend that the Bank and the non-profit corporation be separate entities, but that the two continue close coordination and working relationships so that cooperatives of all classes may receive services at the lowest possible cost and greatest efficiency.

It is the intention of the conferees that the Bank provide the non-profit corporation substantial assistance and that the corporation avoid unnecessary duplication of staffing and functions. So that the coordination and savings may be accomplished, it is anticipated that the non-profit corporation and the Bank shall be housed together and that the various regional offices established by the Bank shall continue to disseminate information about the availability of assistance to low-income cooperatives and process applications at the regional level for the non-profit corporation.

The amendment adopted by the conference provides that the Bank shall have the authority to provide administrative and staff support to the Self-Help corporation and that it may make tax deductible contributions to assist the corporation. The board of directors of the corporation will be appointed by the board of directors of the Bank from representatives of cooperatives eligible for assistance from the corporation. Members of the Bank Board will be eligible to be members of the board of the non-profit corporation. It is suggested that the board be established in a manner that will provide for the election of one-third of the members each year after its first year of operation.

It is the intention of the Managers of the Conference that the Bank and the non-profit corporation adopt policies and rules of procedures that will allow the maximum participation by stockholders and eligible cooperatives in all phases of the operations. It is intended that policies and procedures of the Bank and the non-profit corporation be promulgated in an open manner and that positive steps be taken to inform eligible cooperatives about the policies at all times. It is also the intention of the Conferees that stockholders, potential investors, and consumer cooperatives be provided the fullest disclosure about the activities, financial condition, and future plans of both the Bank and the non-profit Corporation at all times. To help accomplish this, the conferees agreed to make any securities issued by the Bank subject to Federal securities laws under the jurisdiction of the Securities and Exchange Commission.

The conferees adopted language from the House-passed bill providing authorizations of $47 million for Title I activities and $14 million for Title II (Self-Help Development and Technical Assistance). It is intended that all funds appropriated for both titles be transferred to the Bank prior to redemption of the Government stock and prior to the formation of the non-profit corporation.

TITLE IV—DISTRICT OF COLUMBIA

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3982) to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982 submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Limitation on the Amount of Funds Authorized for Loans for Capital Projects

The House bill, H.R. 3982, Title IV, section 4001, authorized to be appropriated for loans under section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) the sum of $155,000,000 for the fiscal year ending on September 30, 1982, the sum of $155,000,000 for the fiscal year ending on September 30, 1983, and the sum of $155,000,000 for the fiscal year ending on September 30, 1984.

The Senate amendment, section 904, authorized to be appropriated for loans under section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) not more than $155,000,000 per year for fiscal years 1982 and 1983. The Senate amendment did not include an authorizing provision for fiscal year 1984.

The Conference substitute conforms to the House bill.

Limitation on the Amount of Funds Expended for Loans for Capital Projects

The House bill also provided for outlays of no more than the sum of $145,000,000 during the fiscal year ending on September 30,

1982, no more than the sum of $145,000,000 during the fiscal year ending on September 30, 1983, and no more than the sum of $145,000,000 during the fiscal year ending on September 30, 1984.

The Senate amendment deleted this provision.

The Conference substitute conforms to the Senate action.

Effective Date

The House bill further provided that the amendment made by section 4001 of H.R. 3982 shall take effect on October 1, 1981.

The Senate amendment contained no such provision.

The Conference substitute conforms to the House bill.

TITLE V—EDUCATION PROGRAMS

General Provisions

The House bill is a free-standing piece of legislation, while the Senate amendment, in most instances, amends the text of current law.

The Senate recedes.

The Senate amendment, but not the House bill, contains limits on appropriations for FY 81.

The Senate recedes.

The House bill provides that laws not consistent with the provisions of Title V of the bill are superseded and have only such effect in FY 1982, 1983 and 1984 as may be consistent with Title V. The House further, notwithstanding any other law, precludes appropriations in excess of the limitations provided in Title V of the reconciliation bill. The Senate amendment precludes appropriations for FY 1981, 1982 or 1983 to the Department of Education, the National Endowment for the Arts or the National Endowment for the Humanities unless there was either an appropriation for the activity in FY 1980 or there is a specific authorization for the activity in these reconciliation provisions.

The Senate recedes.

The Senate amendment precludes appropriations for FY 1981, 1982 or 1983 to pay for the expenses of any "advisory counsel" which provides advice to a program for which there are no authorizations of appropriations made in these reconciliation provisions. There is no comparable House provision.

HOWARD UNIVERSITY

The House bill provides an appropriation ceiling for Howard University of $153,199,000 for FY 1982–84, while the Senate amendment provides a limit of $133,983,000 for FY 1981–83 and $140,000,000 for FY 1984.

The Senate recedes with an amendment establishing a limit of $145.2 million for each of the fiscal years 1982, 1983 and 1984.

IMPACT AID

the house bill authorizes $401 million for each of the fiscal years 82, 83, and 84 for impact aid. this includes $20 million for construction of (p.l. 81-815), $10 million for section 2, and $371 million for section 3. higher payment rates would be authorized for districts (1) where the total number of "a" and "b" children is at least 50% of their enrollment; or (2) where the total number of "a" children is at least 20%; or (3) where the total number of "a" and "b" children, counting civilian "b"s as one-half a child, is at least 25%. districts meeting one of these three criteria will receive 100% of the fy 81 payment for each "a" child for fy 82, 83, and 84. these districts will receive 80% of their fy 81 payment for each "b" child in fy 82; 70% of their fy 81 military "b" payments in fy 83; and 50% of their fy 81 military "b" payments in fy 84. no "b" payments are authorized for fy 85 and beyond. from the amounts remaining after allocations are made to the aforementioned districts, the secretary shall proportionately distribute funds for "a" payments to districts which do not meet one of the criteria for heavy impact. district which are not heavily impacted will receive no "b" payments in any of the fiscal years. the house bill authorizes no funds for sections 3(e), 4, and 6 of p.l. 81-874. the house bill also specifies that the prohibition in section 402(d) against other agencies using their appropriations to pay for free public education shall not apply in fiscal years 1982 through 1984.

the senate amendment, in contrast, authorizes $500 million for each of the fiscal years 82 and 83 for sections 2, 3, 4, and 6 of p.l. 81-874. the senate amendment authorizes the secretary of education to pro-rata reduce the entitlements of local educational agencies under sections 2, 3, and 4 of such act.

the conferees agreed to a substitute which includes the following provisions: first, there would be an authorization of $475 million for both public laws 81-874 (maintenance and operations) and 81-815 (school construction). second, of this authorization $20 million would be used for construction under public law 815, $10 million would be available for disaster assistance, and another $10 million would be available for the land acquisition reimbursement section (sec. 2 of p.l. 874). third, there would be a three-year phase out of payments for "b" children. fourth, the appropriations committee would decide the allocation of funds among categories as it does under current law. fifth, the schools funded under section 6 would be transferred to the department of defense budget although administration would continue as it is now.

the senate amendment unlike the house bill also authorizes $631,750,000 for fiscal year 1981 for sections 2, 3, and 4.

the senate recedes.

ADULT EDUCATION ACT

The House bill provides a limitation on appropriations of $100,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for fiscal year 1981 to $100,000,000. The Senate amendment limits appropriations to $122,000,000 for each of the fiscal years 1982 and 1983.

The Senate recedes.

The Senate amendment, unlike the House bill, restricts appropriations for fiscal years 81, 82, and 83 to the state grant provisions of Section 304.

The House recedes.

Unlike the House bill, the Senage amendment precludes any of the appropriations for fiscal years 81, 82, and 83 for adult education from being used to pay the cost of the administration and development of state plans. The existing law authorizes 5 percent of the amount appropriated for state grants to be used for such purposes.

The Senate recedes.

Alcohol and Drug Abuse Education Act

The House bill limits appropriations to carry out the Alcohol and Drug Abuse Education Act to $3,000,000 for 1982, $3,240,000 for 1983 and $3,499,000 for 1984. The Senate amendment contains no comparable provision, but specifically repeals the Act in provisions relating to education consolidation.

The House recedes with an amendment limiting the authorization for the Alcohol and Drug Abuse Education Act to $3 million for FY 1982 and incorporating the program into Title II of the Education Consolidation and Improvement Act beginning in FY 1983.

Career Education Incentive Act

The House bill limits appropriations for the Career Education Incentive Act to $10,000,000 for each fiscal year 1982 through 1984. The Senate amendment authorizes $10,000,000 for fiscal year 1981 and no funds for fiscal year 1982 or 1983. For Postsecondary Educational Demonstration Projects the Senate amendment changes the expiration date from FY 1983 to FY 1981.

The conferees agreed on substitute language incorporating the programs authorized under the Career Education Act into Title II of the Education Consolidation and Improvement Act beginning in fiscal year 1983. The conferees also agreed to increase the authorization for the block grant by $5 million to accommodate the inclusion of career education. For fiscal year 1982, the Career Education Incentive Act would remain in existence with its authorization limited to $10 million.

Civil Rights Act of 1964

The House bill, unlike the Senate amendment, limits appropriations to carry out sections 403, 404, and 405 of Title IV of the Civil Rights Act of 1964 to $37,100,000 for each of the fiscal years 1982, 1983 and 1984.

The Senate recedes. The conferees wish to make clear that although the technical assistance and training activities authorized under Title IV are permissable uses of funds under Title II of the Education Consolidation and Improvement Act, Title IV of the Civil Rights Act will continue to exist as a separate piece of legislation and is not to be folded into the block grant.

Department of Education

The House bill limits appropriations for salaries and expenses of the Department of Education to $308,000,000 for each of the fiscal years 1982, 1983 and 1984. By contrast, the Senate amendment limits "management" of the Department of Education to $243,137,000 for FY 1981, $210,882,000 for FY 1982, and $210,882,000 for FY 1983. The Senate amendment limits Overseas Education Research and Training to $3,000,000 in 1981, $1,000,000 in 1982 and $1,000,000 in 1983. The Senate amendment limits the Office for Civil Rights in the Department to $51,902,000 in FY 1981, $48,028,000 in FY 1982 and $48,028,000 in FY 1983. The Senate amendment also limits funds for the Office of the Inspector General in the Department of Education to $11,464,000 for FY 1981, $10,967,000 for FY 1982, and $10,967,000 for FY 1983. The Senate amendment allocations to the department for the above items total $309,503,000 for FY 1981 and $270,877,000 for each of the fiscal years 1982 and 1983.

The Senate recedes with an amendment which limits the authorization for Department of Education Salaries and Expenses to a total of $308 million for each of the fiscal years 1982, 1983, and 1984, including $49,396,000 for the Office for Civil Rights and $12,989,000 for the Office of Inspector General.

Education Amendments of 1978

The House bill authorizes no funds to be appropriated for section 1015 of the Education Amendments of 1978 (impact aid study), for Part A of Title XV (International Year of the Child), and for Part B of Title XV (National Academy of Peace and Conflict Resolution) for fiscal years 1982 through 1984.

The Senate amendment is silent on these provisions.

The Senate recedes.

The House bill authorizes no funds to be appropriated in FY 82-84 for Section 1524 of the Education Amendments of 1978, which provides for general assistance for the Virgin Islands.

The Senate amendment provides authorizations for Section 1524 as follows:

	House	Senate
Fiscal year:		
1981		$2,700,000
1982	No funds	No funds
1983	No funds	No funds
1984	No funds	

The House recedes with an amendment limiting the authorization for general assistance for the Virgin Islands to $2.7 million for each of the fiscal years 1982, 1983, and 1984.

The House bill, but not the Senate Amendment, authorizes no funds to be appropriated in FY 82-84 for Section 1525 of the Education Amendments of 1978, which provides for territorial training assistance programs.

The House recedes.

The House bill authorizes no funds to be appropriated in FY 82-84 for Section 1526 of the Education Amendments of 1978, which provides for a study of evaluation practices and procedures at the national, State and local levels with respect to federally funded elementary and secondary education.

The Senate amendment does not specifically refer to this authorization.

The Senate recedes.

The Senate amendment, but not the House bill, provides the following levels of authorization for Section 1527 of the Education Amendments of 1978, which provides for television program assistance:

	House	Senate
Fiscal year:		
1981		$6,000,000
1982		$6,000,000
1983		$8,000,000
1984		

The conferees agreed to a substitute which deletes the separate authorization for television assistance under section 1527, and instead increases the Secretary's discretionary fund under Title II of the Education Consolidation and Improvement Act to 6% of the total authorization for Title II.

EDUCATION AMENDMENTS OF 1980

The House bill, but not the Senate amendment, authorizes no funds to be appropriated for FY 82-84 for Section 1303 of the Education Amendments of 1980, the science education programs.

The House recedes.

The House bill authorizes no funds to be appropriated for FY 82-84 for part D of title XIII of the Education Amendments of 1980, which provides for the Native Hawaiian Study. The Senate amendment does not specifically refer to this authorization.

The Senate recedes.

The House bill authorizes no funds to be appropriated for fiscal years 1982 through 1984 for Part H of Title XIII of the Education Amendments of 1980 which provides funding for several memorials (Chappie James, Levi Dawson, and the Taft Institute). The Senate amendment does not specifically refer to these authorizations.

The Senate recedes.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

The House bill authorizes $3,544,343,000 for FY 82 for Title I of the Elementary and Secondary Education Act; the Senate amendment authorizes $3,104,317,000 for FY 81, and $3,348,000,000 for each of the fiscal years 82 and 83 for this program.

The Senate recedes with an amendment limiting the authorization for Title I of the Elementary and Secondary Education Act to $3,480,000,000 for FY 82.

The House bill specifies that not more than 14.6 percent of the amount appropriated for Title I for FY 82 shall be used for the

State agency programs. The Senate amendment specifies that the amount available for each separate program under Title I shall have the same ratio to the total appropriation for fiscal years 1981, 1982 and 1983 as it did in FY 80.

The Senate recedes with an amendment limiting the State agency programs to 14.6% of the total appropriation for Title I for fiscal year 1982, and specifying that the amount available for concentration grants shall have the same ratio to the total Title I appropriation in fiscal year 1982 as it did in fiscal year 1980. The conferees also agreed that these same rules shall apply to appropriates for the State agency programs and the concentration grant program under Title I of the Education Consolidation and Improvement Act for fiscal years 1983 and 1984.

The House bill, but not the Senate amendment, provides for separate authorization levels for Titles of the Elementary and Secondary Education Act of 1965 for FY 82 as follows:

Title II	$31,500,000
Title III*:	
Sec. 303	$25,500,000
Part B (Metric Education)	$1,380,000
Part C (Arts in Education)	$3,150,000
Part E (Consumer Education)	$3,600,000
Part G (Law-Related)	$1,000,000
Part L (Biomedical)	$3,000,000
Title IV:	
Part B	$161,100,000
Part C	$66,130,000
Part D	$15,000,000
Title V:	
Part B	$42,075,000
Part C	$0
Title VI	0
Title VIII	$3,138,000
Title IX:	
Part A (Gifted and Talented)	$5,652,000
Part B (Education Proficiency)	No funds
Part C (WEEA)	$8,125,000
Part D (Safe Schools)	No funds
Part E (Ethnic Heritage)	$2,250,000

*No funds are authorized to be appropriated by the House bill for Parts D, F, H, I, J, K, M, and N.

The Senate recedes with an amendment limiting the authorization for title VI, ESEA to $149,292,000 for FY 82.

The House bill and the Senate amendment provide the following levels of authorization for title VII of the Elementary and Secondary Education Act, bilingual education.

	House	Senate
Fiscal year:		
1981		$157,467,000
1982	$85,340,000	$163,000,000
1983	$85,340,000	$163,000,000
1984	$85,340,000	

The Senate recedes with an amendment limiting the authorization for Title VIII to $139,970,000 for each of the fiscal years 1982, 1983, and 1984.

The Senate amendment, but not the House bill, provides authorization levels for the Elementary and Secondary Education Act for fiscal year 1981 as follows.

Title II	$31,500,000
Title III*:	
National Diffusion Network (Sec. 303)	8,750,000
Cities in Schools (Sec. 303)	2,745,000
Part B (Metric Education)	1,380,000
Part C (Arts in Education)	3,150,000
Part E (Consumer Education)	1,356,000
Part L (Biomedical)	3,000,000
Title IV:	
Part B	161,100,000
Part C	66,130,000
Title V	42,075,000
Title VI and Title IV-C Civil Rights Act	186,312,000
Title VIII	3,174,000
Title IX:	
Part A (Gifted and Talented)	$6,280,000
Part B (Education Proficiency)	0
Part C (WEEA)	8,125.000
Part D (Safe Schools)	0
Part E (Ethnic Heritage)	2,250,000

*No funds are authorized for Parts D, F, G, H. I, J, and K of Title III fiscal year 1981.

The House is silent on fiscal year 1981 funding levels.

The Senate recedes.

The Senate amendment, but not the House bill holds harmless the Inexpensive Book Distribution Program (Reading is Fundamental) during FY 81 at the FY 80 funding level.

The Senate recedes.

The Senate amendment provides authority only for the Title III programs, including activities funded under Section 303, which are specifically designated for authorization under the Senate amendment no funds are authorized for Parts D, F, G, H, I, J, & K of Title III.

The Senate recedes.

The Senate amendment repeals the authorization for Title III, Parts B, C, E, L after fiscal year 1981.

The Senate recedes.

The Senate amendment, but not the House bill, specifies that if the amount available for Part B of Title IV in FY 81 is less than the amount available for fiscal year 1980, no funds may be expended on any other program except the library resources authorized under the provisions of such Part B.

The Senate recedes.

The Senate amendment, but not the House bill, repeals the authorization for parts A and C of Title V of ESEA after FY 80.

The Senate recedes.

The Senate amendment, but not the House bill, provides that no funds shall be available in fiscal years 1981-1983 for State apportionment grants under Title VI of ESEA.

The Senate recedes.

The Senate amendment repeals the authorization for the following programs after fiscal year 1981:

Title VIII State grant program (community education)

Title IX-A Gifted and talented
Title IX-C WEEA
Title IX-E Ethnic Heritage

The Senate recedes.

The House bill authorizes no funds for the Elementary and Secondary Education Act for FY 1983 or 1984.

The House recedes.

EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981

The House bill and the Senate amendment provide an authorization level for the Education Consolidation and Improvement Act of 1981 as follows:

Fiscal year	House	Senate
Title I:		
1981		3,104,317,000
1982	3,544,343,000	3,348,000,000
1983	3,544,343,000	3,348,000,000
1984	3,544,343,000	
Title II:		
1981		
1982		584,226,000
1983	584,368,000	583,926,000
1984	584,368,000	(1)

[1] Such sums.

The Senate recedes with an amendment that limits the authorization for Title I of the Education Consolidation and Improvement Act to $3,480,000,000 for each of the fiscal years 1983 and 1984, and limits the authorization for Title II to $589,368,000 for each of the fiscal years 1982, 1983, and 1984, notwithstanding the authorizations contained in the text of the Education Consolidation and Improvement Act for both titles.

GENERAL EDUCATION PROVISIONS

The House bill limits the appropriations for section 405 of the General Education Provisions Act (N.I.E.) to $55,614,000 for each of fiscal years 1982, 1983, and 1984. The Senate amendment, unlike the House bill, sets appropriations limits at $65,614,000 for fiscal year 1981 and at $59,000,000 for each of the fiscal years 1982 and 1983.

The Senate recedes. The Managers note that the $55.6 million level represents a 25 percent decrease in the level of funding originally available to the National Institute of Education in fiscal year 1981. Therefore, if necessary to meet its statutory priorities and its FY 82 contractual obligations, the Institute should adjust its budget for all grantees and contractors (except the National Center for Research in Vocational Education established pursuant to section 171(a)(2) of the Vocational Education Act of 1963) proporationately. The Managers do not intend that such proportionate reduction be rigidly interpreted, but do intend that such proportionate reduction be within a reasonable range. The Managers emphasize that the Regional Educational Laboratories and Educational Research Centers described in subsection 405(f) of the General Educa-

tion Provisions Act shall, upon completion of existing contracts, receive future funding in accordance with government-wide competitive bidding procedures and in accordance with principles of peer review involving scholars and State and local educators to ensure the quality and relevance of the work proposed.

The authorization levels for the National Center for Education Statistics in the House bill and the Senate amendment are as follows:

Fiscal year	House	Senate
1981		$8,947,000
1982	$8,947,000	8,900,000
1983	8,947,000	8,900,000
1984	8,947,000	

The Senate recedes.

The Senate Amendment authorizes $1,875,000 for fiscal year 1981 for the Pre-College Science Teacher Training Program. The House bill authorizes the same amount for this program for fiscal year 1982, 1983, and 1984.

The Senate recedes with an amendment limiting the authorization for the Pre-College Science Teacher Training Program to $1,875,000 for FY 82 and incorporating this program into Title II of the education consolidation act beginning in FY 83.

Unlike the Senate amendment, the House bill limits appropriations to $5 million for the Minority Institutions Science Improvement Program for fiscal years 1982, 1983, and 1984.

The Senate recedes with an amendment authorizing $5 million for each of those fiscal years.

FOLLOW THROUGH

The House bill restricts appropriations for Follow Through to $44,300,000 for each of the fiscal years 1982, 1983 and 1984. The Senate bill restricts appropriations for Follow Through to $26,250,000 for FY 1981. The Senate bill repeals Follow Through in the Education Block Grant provisions.

The conferees agreed to a substitute which phases Follow Through into the Education Consolidation and Improvement Act over a three-year period. The conference agreement would limit the authorization for Follow Through, as a separate program, to $4,300,000 for FY 82, $22,175,000 for FY 83, and $14,767,000 for FY 84.

HIGHER EDUCATION ACT OF 1965

The House bill limits appropriations to $10,200,000 for Part B of Title I of the Higher Education Act for each of the fiscal years 1982–1984. The House also precludes funding for Part A of Title I of the Higher Education Act for those years. The Senate amendment authorizes $2,200,000 fiscal year 1981 for Education Outreach, and provides that no sums may be authorized to be appropriated for fiscal years 1982–84.

The Senate recedes with an amendment limiting appropriations to $8 million for each of fiscal years 1982, 1983 and 1984 for Education Outreach (HEA I-B).

The House bill precludes funding for Part A of Title II of the Higher Education Act, the College Library Program. The Senate amendment limits appropriations to $2,988,000 for fiscal year 1981 and $5 million for each of the fiscal years 1982, 1983 and 1984.

The House recedes with an amendment limiting appropriations to $5 million for each of fiscal years 1982, 1983 and 1984 for College Library Learning Resources (HEA II-A).

The House bill limits appropriations to $10.2 million for each of fiscal years 1982, 1983, and 1984 for Title II-B, College Library Training and Developmenmt, while the Senate amendment limits are $917,000 for fiscal year 1981 and $1.2 million for fiscal year 1982 through 1984.

The House recedes with an amendment. Appropriations limits for each of fiscal years 1982, 1983 and 1984 are $1.2 million for College Library Training and Development Programs (HEA II-B).

The House bill limits appropriations for Title II, Part C, the Research Library Program, to $5 million for fiscal years 1982, 1983 and 1984, while the Senate amendment limits such to $6 million for fiscal year 1981 and $8 million for each of the fiscal years 1982 through 1984.

The House recedes with an amendment limiting appropriations for each of the fiscal years 1982, 1983 and 1984 to $6 million for the College Research Library Programs (HEA II-C).

The House bill but not the Senate amendment provides that no funds are authorized to be appropriated for the National Periodical Center, Part D of Title II of the Higher Education Act. The House bill but not the Senate amendment provides that Title II-A and II-B funds be targeted for small colleges and universities.

The Senate recedes with an amendment. No funds available for carrying out Part A and Section 224 of Part B of Title II for any fiscal year shall be made available to any institution, organization or agency which is a recipient of assistance under Part C of the title.

Both the House bill and the Senate amendment limit appropriations to $129.6 million for Title III, Institutional Aid, for each of the fiscal years 1982, 1983, and 1984. The Senate amendment but not the House bill provides that higher education institutions which serve substantial numbers of minority and educationally disadvantaged students and which provide a medical education program are eligible for Title III Challenge Grants.

The House recedes. The Conferees have limited appropriations for Title III, Institutional Aid, to $129.6 million, in accord with the Administration recommended funding levels. The Conferees specifically intend that the resulting $9.6 million above the actual appropriation level for fiscal year 1981 for such years be used to fund the new Part C, Challenge Grant Program.

Pell grants and campus-based student assistance

The House bill provides appropriation limits of $2.466 billion in fiscal year 1982, $2.353 billion in fiscal year 1983 and $1.965 billion in fiscal year 1984 for the Pell Grant Program, while the Senate

amendment limits such to $2.82 billion, $3.0 billion and $3.3 billion in fiscal years 1982, 1983, and 1984, respectively.

The House recedes with an amendment establishing such limits at $2.650 billion for fiscal year 1982, $2.80 billion for fiscal year 1983, and $3.0 billion for fiscal year 1984.

The House bill but not the Senate amendment limits the Pell Grants to 50 percent of the cost of attendance. The Senate amendment but not the House bill specifies procedures to be followed by the Secretary for any waiver of the provisions (Part A, subpart 1 of HEA-IV) for Pell Grants.

The House recedes on both points. The Secretary must get Congressional approval for waivers under the Pell Grant Program.

The House bill, but not the Senate amendment, limits maximum Pell Grants for academic years 1982-1983, 1983-1984, and 1984-1985 to $1,800.

The House recedes.

The House bill limits appropriations to $370 million for the Supplemental Educational Opportunity Grant Program for each of fiscal years 1982, 1983 and 1984, while the Senate amendment limits such to $370 million for fiscal year 1981 and $400 million for each of the fiscal years 1982, 1983 and 1984.

The Senate recedes.

The House bill limits appropriations for the State Student Incentive Grant Program to $76,800,000 in each of fiscal years 1982, 1983, and 1984, while the Senate amendment limits appropriations to $76,750,000 for each of the fiscal years 1981 through 1984.

The Senate recedes.

The House bill, but not the Senate amendment, limits appropriations to $286,000,000 for the National Direct Student Loan Program for each of the fiscal years 1982, 1983 and 1984.

The Senate recedes.

The House bill limits appropriations to $550 million for each of the fiscal years 1982, 1983 and 1984 for the College Work Study Program. The Senate amendment limits such to $550 million for each of the fiscal years 1981, 1982, 1983 and 1984.

The Senate recedes.

The House bill, but not the Senate amendment, limits appropriations to $1 million for fiscal year 1982 and $2 million for fiscal year 1983 for the National Commission on Student Financial Assistance.

The Senate recedes.

The House bill limits appropriations to $159,500,000 for the TRIO programs for each of the fiscal years 1982 through 1984, while the Senate amendment limits such to $156,500,000 in fiscal year 1981, $169,500,000 in fiscal year 1982 and $186,000,000 in each fiscal year 1983 and 1984.

The House recedes with an amendment limiting appropriations to $165 million for fiscal year 1982 and $170 million for each fiscal year 1983 and fiscal year 1984.

The House bill limits appropriations in each of the fiscal years 1982, 1983 and 1984 to $7.5 million for Subpart 5, Part A. Title IV of the Higher Education Act of 1965, as amended (HEP/CAMP). The Senate amendment limits such to $7,303,000 in fiscal year 1981 and $7,553,000 in each of the fiscal years 1982 through 1984.

The Senate recedes.

The House bill limits appropriations to $12 million for the Veterans Cost of Instructions Program for each of the fiscal years 1982, 1983 and 1984, while the Senate amendment limits such to $6,019,000 in fiscal year 1981 and precludes appropriations of funds fiscal years 1982 through 1984.

The Senate recedes.

The House bill limits appropriations for the Teacher Corps to $22.5 million for each of the fiscal years 1982, 1983 and 1984. The Senate amendment would place the Teacher Corps in the education block grant effective in fiscal year 1982.

The conference agreement would limit appropriations for the Teacher Corps to $22.5 million in fiscal year 1982. Effective October 1, 1982, the Teacher Corps would be consolidated in the block grant.

The House bill limits appropriations for the teacher centers program to $9.1 million for each of the fiscal years 1982, 1983 and 1984. The Senate amendment would place teacher centers in the educational block grant effective in fiscal year 1982.

The conference agreeement would limit appropriations for teacher centers at $9.1 million in fiscal year 1982. Effective October 1, 1982, teacher centers would be consolidated in the block grant.

The Senate amendment, but not the House bill, precludes funding for section 546, Teacher Training Program, in fiscal year 1981. The House bill and Senate amendment eliminate authorizations of appropriations for this section for fiscal years 1982, 1983 and 1984.

The Senate recedes.

The House bill, but not the Senate amendment, precludes appropriations for Part D of Title V of the Higher Education Act, the Coordination of Education Professional Development Program in fiscal years 1982, 1983 and 1984.

The Senate recedes.

The House bill limits appropriations to $30,600,000 for the International Education and Foreign Language Studies Program (HEAV VI) for each of the fiscal years 1982, 1983 and 1984, while the Senate amendment provides limit on such of $28 million in fiscal year 1981, $22 million in fiscal years 1982 and 1983, and $28 million in fiscal year 1984.

The Senate recedes.

The House bill provides that no funds are authorized to be appropriated in fiscal years 1982, 1983 or 1984 for Parts A and B of Title VII of the Higher Education Act (Construction Grants for Academic Facilities), while the Senate amendment limits appropriations to $26 million in fiscal year 1981 and $25 million in each of the fiscal years 1982 through 1984.

The Senate recedes.

The House bill makes no reference to authorizations for the Higher Education Facilities Revolving Loan Fund, while the Senate amendment authorizes no funding in fiscal year 1981, $18,300,000 for fiscal year 1982 and $1,800,000 for fiscal years 1983 and 1984.

The Senate recedes.

The House bill limits appropriations to $23 million for Cooperative Education (HEA VIII) for each of the fiscal years 1982, 1983 and 1984, while the Senate amendment authorizes $23 million for fiscal year 1981, $18.4 million for fiscal year 1982 and $20 million for each of the fiscal years 1983 and 1984.

The House recedes with an amendment, in which appropriations are limited to $20 million for each of the fiscal years 1982, 1983 and 1984 for Cooperative Education.

The House bill for each of the fiscal years 1982, 1983 and 1984 precludes appropriations for Parts A, B and C of Title IX, the Graduate Programs, and limits appropriations to $1 million for Part D, the Assistance for Training in the Legal Profession (CLEO), and to $3 million for the Law School Clinical Experience Progam.

The Senate amendment authorizes $15 million for Part A, $4 million for Part D and $1 million for Part E in fiscal year 1981 and $19 million for Part A and $1 million for Part E in each of the fiscal years 1982 through 1984.

The House recedes with an amendment limiting appropriations for HEA IX-B (GPOP) to $14 million for each of the fiscal years 1982, 1983 and 1984; for HEA IX-D (CLEO) to $1 million for each of the fiscal years 1982, 1983 and 1984; and to $1 million for IX-E (Law School Clinical Experience) for each of the fiscal years 1982, 1983 and 1984.

The Conferees have provided sufficent levels of authorizations to continue the programs funded under Title IX-B and Title IX-D at the fiscal year 1981 levels. The authorization for Title IX-E, the Law School Clinical Experience Program, is reduced to $1 million for each of the fiscal years 1982, 1983 and 1984. No funding is provided for Parts A and C.

The Conferees intend that the $14 million in funding for Part B, Fellowships for Graduate and Professional Study be divided among public service, mining, and graduate professional fellowships for minorities and women. Each of these programs should be funded—to the extent of available appropriations—at no less than the fiscal year 1979 levels. The Conferees do not intend, however, that the fiscal year 1979 appropriation levels be interpreted as "caps" in allocating funds among the three programs.

The House bill for each of the fiscal years 1982, 1983 and 1984 limits appropriations to $13.5 million for the Fund for the Improvement of Postsecondary Education (FIPSE), while the Senate amendment authorizes $13.5 million for fiscal year 1981 and $15 million for each of the fiscal years 1982 through 1984.

The Senate recedes.

The House bill, for each of the fiscal years 1982 through 1984, provides that no funds are authorized to be appropriated for Title XI, the Urban Grant University Program. The Senate amendment does not specifically refer to Title XI.

The House recedes.

INDIAN EDUCATION

The House bill, but not the Senate amendment, provides for an authorization of appropriations for title IV of the Education Amendments of 1972, the Indian Education Act, as follows:

	House	Senate
Fiscal year—		
1982	$81,700,000	
1983	81,700,000	

	House	Senate
1984	81,700,000	

The House bill, but not the Senate amendment, provides for an authorization of appropriations for the Johnson-O'Malley Act, the education portion of the Snyder Act, the Tribally Controlled Community College Assistance Act, and the Navajo Community College Act as follows:

	House	Senate
Fiscal year—		
1982	$200,000,000	
1983	200,000,000	
1984	200,000,000	

The House bill, but not the Senate amendment, provided for the general extension of authorizations for appropriations through fiscal year 1984 to carry out the provisions of the Indian Education Act, the Navajo Community College Act, and the Tribally Controlled Community College Assistance Act of 1978. The Senate recedes.

The House bill, but not the Senate amendment, provided that the total amount of appropriations to carry out the Indian Education Act shall not exceed $81.7 million for each of fiscal years 1982, 1983, and 1984. The Senate recedes with an amendment providing that the total amount of appropriations to carry out such Act shall not exceed $81.7 million for fiscal year 1982, $88.4 million for fiscal year 1983, and $95.3 million for fiscal year 1984.

The House bill, but not the Senate amendment, provided that the total amount of appropriations to carry out the Johnson-O'Malley Act, to carry out all education programs under the direction of the Bureau of Indian Affairs Office of Indian Education Programs authorized under the Synder Act, and to carry out the Navajo Community College Act and the Tribally Controlled Community College Assistance Act shall not exceed $200 million in each of the fiscal years 1982, 1983, and 1984. The Senate recedes with an amendment providing that the total amount of appropriations for these activities shall not exceed $262.3 million for fiscal year 1982, $276.1 million for fiscal year 1983, and $290.4 million for fiscal year 1984.

The conference committee is concerned with the adequacy of the authorizations for appropriations for BIA education programs and Indian Education Act programs for the out-years. These programs are fully federally funded. In addition, many treaties between the United States Government and Indian tribes contain provisions obligating the United States to provide educational services to Indians. With the educational achievement of Indians ranking at the bottom when compared to that of other groups in the American population, the conference committee believes that the authorizations for the out-years should be closely scrutinized and appropriately adjusted in subsequent legislation if it is found that such authorizations will not adequately meet the educational needs of Indian people.

Library Services and Construction Act

The Senate amendment places an overall limitation on authorizations of appropriations for the Library Services and Construction Act at $74.5 million for fiscal year 1981 and $84.5 million for each of fiscal year 1982 and 1983. The Senate amendment also extends the Library Services and Construction Act one additional year from its fiscal year 1982 expiration. By contrast, the House bill limits appropriations for Title I of the Library Services and Construction Act ot $62,500,000 for each of the fiscal years 1982, 1983 and 1984, and precludes the appropiation of funds for Title II in fiscal years 1982, 1983 and 1984, and limits appropriations for Title III to not more than $12 million for each of such years.

The Senate recedes with an amendment. Such limits on appropriations for each of the fiscal years 1982, 1983 and 1984 are $80 million ($65 million for Title I and $15 million for Title III of the Library Services and Construction Act).

Unlike the Senate amendment, the House bill limits to $700,000 appropriations for each of the fiscal years 1982, 1983 and 1984 for the National Commission on Libraries and Information Science.

The Senate recedes.

Arts, Humanities and Museums

The House bill limits appropriations to $12.9 million for the Institute for Museum Services for each of the fiscal years 1982 through 1984, while the Senate amendment limits appropriations to $12.9 million for fiscal year 1981 and $9.6 million in each of the fiscal years 1982, 1983 and 1984.

The House recedes.

In the House bill the National endowments for the Arts and Humanities are authorized for a total appropriation of $223.1 million for each of fiscal years 1982, 1983 and 1984. The Senate amendment authorizes $159.1 million for fiscal year 1981 and $119.3 million for each of fiscal years 1982 and 1983 for the National Endowment for the Arts. The Senate amendment authorizes $151.7 million for fiscal year 1981 and $113.7 million for each of fiscal years 1982 and 1983 for the National Endowment for the Humanities.

The House recedes with an amendment. Authorizations for the Arts are $119.3 million for fiscal years 1982, 1983 and 1984 and authorizations for the Humanities are $113.7 million for fiscal years 1982, 1983 and 1984. It is the Conferees' intention that the important catalytic role of Federal support for cultural activities in generating support from other sources be recognized, and that Federal involvement in these activities help encourage artistic development and the preservation of the American cultural heritage.

The House bill, but not the Senate amendment, prohibits any appropriation for the Herbert Hoover Memorial for fiscal years 1982–84.

The House recedes.

The House bill, but not the Senate amendment, precludes any appropriation to carry out the Arts and Artifacts Indemnity Act for fiscal years 1982, 1983, and 1984. The Senate amendment does not specifically refer to this authorization.

The House recedes.

The House bill, unlike the Senate amendment, precludes appropriations for FY 82, 83, and 84 for Land Grant status for the Virgin Islands and the University of Guam.

The House recedes.

The House bill provides that, for the Harry S. Truman Memorial Scholarship Act, no funds are authorized to be appropriated in FY 1982, 1983 and 1984. The Senate amendment does not specifically refer to these authorizations.

The House recedes. The Conferees intend that funds appropriated in previous years to finance the Memorial can continue to be spent in future years and are in no way jeopardize by the Conference action.

REFUGEE EDUCATION CONSOLIDATION

The House bill, but not the Senate amendment, authorizes the Consolidated Refugee Education Assistance Act at $50 million for each of the fiscal years 1981, 1982, and 1983.

The Senate recedes with an amendment limiting the authorization for the Consolidated Refugee Education Assistance Act to $5 million for fiscal year 1982, $7.5 million for fiscal year 1983, and $10 million for fiscal year 1984.

CUBAN AND HAITIAN REFUGEE PROGRAMS

The Senate amendment, but not the House bill authorizes the following amounts for refugee assistance and the sea grant program:

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
Cuban and Haitian reception	$157,100,000	$20,000,000	(1)
Cuban and Haitian Domestic Assistance	96,000,000	40,000,000	$30,000,000
Indochinese Refugees	596,525,000	360,600,000	200,000,000
Sea Grant College Program	39,000,000	35,000,000	35,000,000

[1] No funds.

The House recedes with an amendment which deletes the references to the sea grant program and the Indochinese refugee program and which corrects the limitations on authorizations for Cuban and Haitian domestic assistance so that they stand at $94 million for fiscal year 1982 and $59 million for fiscal year 1983.

VOCATIONAL EDUCATION ACT OF 1963

The Senate amendment extends the Vocational Education Act through fiscal year 1983. The House bill extends it through fiscal year 1984.

The Senate recedes.

The House bill authorizes an amount not to exceed $791,200,000 for vocational education for each of the fiscal years 1982, 1983 and 1984 as a lump sum.

The Senate bill makes the following authorizations for vocational education as line items:

Part A—Subpart 2—Basic Grants:
FY 1981 ..... $518,139,000

FY 1982	490,000,000
FY 1983	490,000,000
Part A—Subpart 3—Program Improvement and Support:	
FY 1981	93,323,000
FY 1982	163,300,000
FY 1983	163,300,000
Part B—Subpart 2—Programs of National Significance:	
FY 1981	7,477,000
FY 1982	9,500,000
FY 1983	9,500,000
Part A—Subpart 4—Special Programs for the Disadvantaged:	
FY 1981	14,954,000
FY 1982	23,600,000
FY 1983	23,600,000
Part A—Subpart 5—Consumer and Homemaking:	
FY 1981	30,347,000
FY 1982	30,000,000
FY 1983	30,000,000
Sec. 107—5 Year State Plans.	
Sec. 108—Annual Program Plans and Accountability Reports.	
Sec. 112—Federal and State Evaluations:	
FY 1981	3,738,000
FY 1982	4,000,000
FY 1983	4,000,000
Sec. 105(f)(1)—State Advisory Councils:	
FY 1981	6,500,000
FY 1982	4,400,000
FY 1983	4,400,000
Subpart 3—Bilingual:	
Sec. 184—Authorization of Grants	
Sec. 186—Grants for Instructional Training	
Sec. 186—Development of Instructional Materials, Methods and Techniques:	
FY 1981	3,960,000
FY 1982	3,000,000
FY 1983	3,000,000
Smith-Hughes Act of 1917:	
FY 1981	7,200,000
FY 1982	7,200,000
FY 1983	7,200,000

The Senate line item authorizations total $685.6 million for fiscal year 1981, $735 million for fiscal year 1982, and $735 million for fiscal year 1983.

The House recedes with an amendment limiting the authorization for the Vocational Education Act to $735 million for each of the fiscal years 1982, 1983, and 1984 and deleting the Senate line items, thus leaving the distribution of funds among the subparts up to the Appropriations Committee. The conferees hope that the individual subparts will be funded at a level at least equal to the amount each subpart received in fiscal year 1981.

GENERAL EXTENSION OF AUTHORIZATIONS

The House bill extends through fiscal year 1984 several statutes within the Education and Labor Committee's jurisdiction that are due to expire within the next three fiscal years.

The Senate amendment has no comparable provision.

The Senate recedes with an amendment which extends through fiscal year 1984 the following statutes: P.L. 81-815, P.L. 81-874, the General Education Provisions Act, the Indian Education Act, Title XI, XIV, and XV of the Education Amendments of 1978 and Part H of Title XIII of the Education Amendment of 1980, the Adult Education Act, section 342 of the Education Amendments of 1976, the

Asbestos School Hazards and Detection and Control Act, the Joint Resolution of October 19, 1972, the Vocational Education Act, Title IV of the Civil Rights Act, the Library Services and Construction Act, the Navajo Community College Act, the Tribally-Controlled Community College Assistance Act of 1978, and Part C of Title IX of the Elementary and Secondary Education Act.

STUDENT ASSISTANCE PROVISIONS

The House bill, but not the Senate amendment provides for a title of "postsecondary Student Assistance Amendments of 1981."

The Senate recedes.

The House bill, but not the Senate amendment, limits Guaranteed Student Loan (GSL) eligibility to remaining need subject to a $1,000 minimum loan. The Senate amendment limits GSL eligibility to students from families with adjusted gross income of $25,000 or less and to remaining need above $25,000.

The House recedes with an amendment establishing a $30,000 cap with remaining need above the cap. The Secretary of Education will regulate with respect to remaining need subject to a statutory schedule and a one House veto. A $1,000 minimun loan is established if at least $500 need is shown. If remaining need is less than $500, the loan size will be limited to that amount of need.

The House bill specifies that financial need is the estimated cost of attendance less expected family contribution less estimated financial assistance. The Senate amendment specifies that financial need means estimated cost of attendance less expected family contribution less other resources and financial assistance.

The Senate recedes.

The Senate amendment, but not the House bill, defines cost of attendance as "the tuition and fees applicable to the student together with the institution's estimate of other expenses reasonably related to attendance."

The House recedes.

The Senate amendment, but not the House bill, specifies that only for the Guaranteed Student Loan need analysis estimated financial assistance equals Pell Grants, Supplemental Educational Opportunity Grants (SEOG), College Work Study (CWS), Social Security student benefits, GI Bill and Veterans Education Assistance Program (VEAP) benefits, National Direct Student Loans (NDSL) plus other available assistance.

The House recedes.

The House bill and the Senate amendment authorize the Secretary, for the purpose of the GSL need analysis, to determine the need analysis system to be used by the institution. The Senate amendment, but not the House bill, specifies that the GSL need analysis determined by the Secretary is to be approved by the Congress. The House bill, but not the Senate amendment, permits the Pell Grant Family Contribution Schedule to be used for determining need for the GSL program.

The House recedes. Separate Family Contribution Schedules must be submitted for GSLs and Pell Grants.

The Conferees urge the Secretary to exclude home equity in determining family assets, to use the Bureau of Labor Statistics (BLS) low budget standard for the family size offset and to establish a

series of progressive assessment rates on family discretionary income.

The House bill, but not the Senate amendment, eliminates provisions that permit counting GSLs as part of the expected family contribution in determining eligibility for Pell Grants, SEOGs, NDSLs, CWS, and State Student Incentive Grants (SSIG). The House bill, but not the Senate amendment, permits loans received under the parent loan program to be substituted for part or all of the expected family contribution of the student.

The Senate recedes.

The Senate amendment, but not the House bill, adds to the existing publication schedule in the Federal Register for the Family Contribution Schedule used for the Pell Grant program the dates of August 15, 1981, May 15, 1982 and May 15 of each succeeding year for amendments for the GSL need analysis. The Senate amendment also modifies the Congressional approval process applicable to the Pell Grant Family Contribution Schedule to include the GSL need analysis schedule and amends the General Education Provisions Act to exclude the Family Contribution Schedule and the GSL need analysis schedule from provision specifying a 45 day review of regulations by Congress before becoming effective.

The House recedes with a technical amendment. In complying with the October 1, 1981 effective date regarding remaining need loans, the Secretary shall submit a Family Contribution Schedule for GSLs by August 15, 1981. For succeeding years a schedule must be submitted by June 1 with approval by July 15.

The Senate amendment, but not the House bill, restricts special allowance payments to loans on which interest subsidies are paid.

The House recedes.

The House bill, but not the Senate amendment, eliminates Social Security student benefits and GI bill benefits from consideration as effective family income in the Pell Grant Family Contribution Schedule.

The House recedes.

The House bill, but not the Senate amendment, includes as expected family contribution for both Pell Grants and GSL programs all Social Security student benefits and GI bill student benefits. The Senate amendment includes GI bill and Social Security student benefits only for determing GSL need, not Pell Grant need.

The House recedes.

The House bill, but not the Senate amendment, allows the Secretary to set an assessment rate or series of assessment rates on parental discretionary income under the Pell Grant Family Contribution Schedule.

The Senate recedes with an amendment mandating the Secretary to set a series of assessment rates on parental discretionary income.

The House bill, but not the Senate amendment, amends the Family Contribution Schedule treatment of assets to: permit consideration of home equity, raise net asset reserve from $10,000 to $25,000 and raise net asset reserve for farms and businesses from $50,000 to $100,000.

The House recedes. Current law provisions on home equity and net asset reserves for Pell Grant computations are not altered.

The House bill, but not the Senate amendment, amends Pell Grant cost-of-attendance criteria as follows: allows the Secretary to determine allowance for books, supplies, transportation and personal expenditures; allows the Secretary to determine, for Pell Grants only an allowance for commuting students, students living in off-campus housing, and students with dependents; allows the Secretary to determine allowable cost for correspondence, study abroad, child-care expenses, and handicapped student cost.

The House recedes. Current law as it relates to Pell grant cost-of-attendance criteria will remain in effect.

The House bill and the Senate amendment increase the interest rate for parent loans from 9% to 14%. The House bill specifies an October 1, 1981 effective date. The Senate amendment specifies a July 1, 1981 effective date.

The Senate amendment provides for a 12% interest rate on parent loans if the 12-month average of 91-day Treasury bill rates drops below 14 percent. The Senate amendment also permits lenders to charge less than the applicable interest rate.

The House recedes with an amendment. Parental loan interest rates are raised from 9 to 14 percent. The effective date of the provision is October 1, 1981. If the 12-month average on 91-day Treasury bill rates drops below 14%, the interest rate will be reduced to 12%. If the annual 91-day T-bill rate average rises above, the interest rate will be increased back to 14%. Lenders are allowed to charge less than the applicable rate.

The House bill and the Senate amendment eliminate the higher annual and aggregate loan limits for independent undergraduate students. Limits for borrowing are reduced to $2,500 per year, and $12,500 aggregate.

The Senate recedes.

The House bill, but not the Senate amendment, extends eligibility for parent loan borrowing to independent, undergraduate students. A student may borrow $2,500, less the amount of any Guaranteed Student Loan received. An overall restriction on combined GSL and parent loan aggregate borrowing is left at $12,500.

The Senate recedes.

The Senate amendment, but not the House bill, extends eligibility for parent loan borrowing to graduate students or their spouses.

The House recedes with an amendment. Graduate students are allowed to borrow under the program but their spouses are not.

The House bill, but not the Senate amendment, precludes parent loans from being consolidated with Guaranteed Student Loans under agreements with the Student Loan Marketing Association.

The House recedes. Parent loans and Guaranteed Student Loans may be consolidated.

The House bill and the Senate amendment both eliminate the grace period only after deferments.

The House bill, but not the Senate amendment, eliminates deferments for Peace Corps Volunteers, VISTA Volunteers, volunteers for tax-exempt organizations, and interns.

The House recedes.

The House bill and the Senate amendment eliminate the $10 institutional allowance for the GSL program. The House bill, but not the Senate amendment, eliminates the $10 institutional allowance for the Pell Grant Program. The House bill, but not the Senate

amendment specifies that institutions may charge a reasonable fee to offset costs to the institution under both programs.

The Senate recedes with an amendment. Institutions may not charge students a fee for processing Guaranteed Student Loans and Pell Grants. There will be a $5.00 institutional allowance for Pell Grants.

Both the House bill and the Senate amendment provide for loan origination fees. The House bill specifies a 4-percent origination fee effective on the date of enactment. The Senate amendment specifies a 5-percent origination fee effective on loans made after July 1, 1981. The House bill specifies that Truth-in-Lending disclosure is not required until April 1, 1982. The Senate amendment exempts lenders, institutions, and officers from liability under the Truth-in-Lending Act. (However, the Senate amendment does not provide for an effective date). The House bill specifies that the loan origination fee be used to reduce the in-school interest subsidy.

The Senate amendment specifies that the loan origination fee be used to reduce the special allowance payment.

The House recedes to the Senate establishing a 5-percent origination fee. The Senate recedes on the effective date with an amendment. This provision will become effective 10 days after the date of enactment.

The Truth-in-Lending provisions will become effective August 1, 1982. The origination fee will be applied against the combination of the special allowance and the interest subsidy.

The House bill but not the Senate amendment increases the minimum annual GSL repayment requirement from $360 to $600.

The Senate recedes.

The House bill and the Senate amendment provide for the assignment of collections to the Department of Education. The Senate amendment provides for assignment by a guaranty agency to the Secretary of any loan for which the Secretary has made payment under the guaranty agreement.

The House bill permits assignment by guarantee agencies only of loans of which they are the holder.

The Senate recedes.

The Senate amendment, but not the House bill, eliminates provisions providing for the rounding up of special allowance payments to lenders to the nearest one-eighth percent.

The House recedes. Provisions allowing rounding-up of special allowance payments to lenders to the nearest one-eighth percent are eliminated for loans made on or after October 1, 1981.

The House bill and the Senate amendment grant various new authorities to the Student Loan Marketing Association (Sallie Mae): (1) Sallie Mae is authorized to deal with non-insured student loans in terms of warehousing and secondary markets; (2) Sallie Mae's responsibility is broadened to assure nationwide coverage of loan insurance. (This authority is subject to agreements with the Secretary); (3) Sallie Mae is authorized to deal in obligations issued by state agencies or eligible lenders; (4) Sallie Mae is authorized to act as a lon insurer in a state where the Department of Education determines that loan demand is not being met by the established state agency or that the state agency is not fulfilling its obligations; (5) The Sallie Mae Board of Directors is authorized to pursue activities it deems necessary; and (6) Sallie Mae obligations are con-

sidered as government obligations for the purpose of bankruptcy proceedings. Several technical differences exist between the House bill and the Senate amendment.

The Senate recedes with a technical amendment. The Sallie Mae provisions will not become effective until 30 days after the enactment of the bill. The Conferees intend that the authority given Sallie Mae is only stand-by authority.

The Student Loan Marketing Association (Sallie Mae) amendments, included in both the Senate and House-passed reconciliation bills, were virtually identical. The Conferees wish to emphasize the stand-by nature of Sallie Mae's new authority to make loans under certain circumstances. This stand-by authority is to be exercised only in states where there is no state guarantee or non-profit agency (or the agency is either unable or unwilling to make/insure student loans) or students are unable to obtain student loans. The Conferees believe that this stand-by authority is necessary to assure that loans are available to all eligible borrowers, regardless of geographic location. Under no circumstance is this amendment to diminish the strengths and viability of new or existing state guarantee or non-profit agencies. The Conferees have delayed the effective date of the Sallie Mae amendments to thirty (30) days after the date of enactment of this bill.

The Senate amendment, but not the House bill, increases the interest rate in the National Direct Student Loan program from 4% to 7% effective July 1, 1981.

The Senate recedes with an amendment. There will be a 5% interest rate on all National Direct Student Loans processed after October 1, 1981.

The Senate amendment, but not the House bill, establishes a committee to review special allowances, the loan origination fee, insurance fees and rates of reinsurance formulae.

The Senate recedes.

The House bill provides for an effective date "upon enactment" for provisions relating to loan origination fees, cost of attendance provisions, and the Student Loan Marketing Association. All other provisions under the House bill become effective on or after October 1, 1981. The Senate specifies a July 1, 1981 effective date on all provisions except for the $25,000 cap, which is effective on October 1, 1981.

The Senate recedes with an amendment. The effective date for the provisions of this Act is October 1, 1981 with the following exceptions. The origination fee will become effective ten (10) days after the date of enactment of the Act. Provisions relating to the Student Loan Marketing Association will become effective thirty (30) days after the date of enactment of the Act.

The managers on the part of the House and the Senate also wish to clarify and explain certain provisions included in the Conference Report and referred to in the joint statement of the managers.

Grace periods

The Conferees have determined that all grace periods for the repayment of Guaranteed Student Loans (GSL) should be eliminated except for the one immediately following the in-school deferment period. For the sake of clarity, it is the Conferees' intention that a student be eligible for only one grace period. Therefore, if a student

who has completed a course of instruction and has enjoyed the 6-month grace period for repayment of GSLs re-enters school and accepts another GSL, he or she will not be eligible for a second grace period at the completion of the in-school period.

Independent student income

It is the intention of the Conferees that for the purposes of determining eligibility of undergraduate independent students for Guaranteed Student Loans only the income of the student and his or her spouse will be counted. Income of the student's parents is not to be counted.

Congressional review

It is intention of the Conferees that the Congress maintain its historic role of review and oversight in the area of higher education loan and grant programs. Therefore, the Family Contribution Schedule (need analysis test) for the Guaranteed Student Loan programs (GSL), as well as the Family Contribution Schedule for the Pell Grant program which are set by the Secretary of Education must be submitted to the Congress subject to a one-House veto. If either the House of Representatives or the Senate adopts a resolution of disapproval for the GSL need analysis test or the Pell Grant Family Contribution Schedule, the Secretary shall submit within 15 days a new proposal incorporating those recommendations made in the disapproval resolution.

The Conferees have also mandated the time schedule the Secretary is to follow in submitting the GSL need analysis test. Because of current time constraints, a different time schedule has been developed for the first year. The Secretary must submit the need analysis test to the Congress by August 15, 1981. This proposal shall not be subject to the usual public comment period or amendment. Should either House adopt a disapproval resolution, the proposal shall not take effect and the expected family contribution will be determined by currently existing methods used for either the campus-based or Pell Grant programs.

The Conferees also understand that because of the limited time frame involved in implementing the initial need analysis test, the Secretary may allow institutions to use a need analysis test currently used for campus-based and Pell Grant programs as part of the proposal. In future years the Secretary is to submit the proposed need analysis test to the Congress no later than June 1. The Congress then has 45 days to review the proposal. The Conferees agree that the Congress may disapprove the proposed need analysis test for any reason. If there is no disapproval resolution, the need test will become effective on July 15. The proposal shall also be published in the Federal Register no later than June 1 with a 30-day period for public comment. There is to be no public comment period on Congressional amendments.

The Conferees have further determined that the Secretary must get Congressional approval for any waiver to provisions contained in Section 411 of the Higher Education Act regarding Pell Grants.

Need analysis

The Conferees wish to emphasize that the need analysis system to be developed for the Guaranteed Student Loan Program is a

matter of great concern. The Conferees intend that the Secretary consider the following factors as the elements of the GSL need analysis system:

1. Exclusion of all equity in a single principal place of residence from the computation of assets; deduction of an asset reserve of not less than $25,000 from the net value of all assets; and if net assets include farm or business assets, deduction of an additional asset reserve of not less than $100,000 from the net assets.

2. Assessment of a series of progressive rates on parental discretionary income, but such rates shall not result in requiring an expected family contribution in excess of an effective rate of 20 percent of such parental discretionary income.

3. Utilization of the most recently published Bureau of Labor Statistics Lower Living Standard as the Family Size Offset to be included in the GSL Family Contribution Schedule submitted to Congress.

4. Inclusion of the number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

The Conferees expect that the GSL need analysis system to be submitted to the Congress will take into consideration that this needs test is being used to judge eligibility for a loan to be repaid, not a grant. It is the expressed intent of the Conferees that the Secretary develop a GSL need analysis system which gives adequate opportunity to students from middle income families with adjusted gross incomes above $30,000 to qualify for a GSL. The Conferees will carefully follow the Secretary's development of the GSL need analysis system and the final result.

The Conferees expect that the Secretary will develop a financial need test for the GSL program by August 15, 1981 for use during the academic years 1981–82 and 1982–83. The Conferees understand that it may be necessary, for purposes of academic year 1981–82, for the Secretary to permit postsecondary institutions to use an established need analysis system, such as those used for Pell Grants and the campus-based program in determining remaining need. However, it is the expressed intent of the Conferees that the Secretary submit a proposed need analysis on August 15, 1981 which includes a system that considers the four factors outlined above. The Conferees intend that the four factors shall be considered for the GSL need analysis for the 1981–82 academic year, and all subsequent years.

The existing need analysis systems can only be used by institutions until the Secretary can effectively implement the GSL need analysis.

The Conferees expect that the Secretary will implement the GSL need analysis by amending the August 15, 1981 proposal before the 1982–83 academic year in order to take into consideration any necessary adjustments. The August 15 submission plus the required amendment for the 1982–83 academic year will be subject to Congressional review, as will all subsequent submissions.

Effective dates

The Conferees have determined that the effective date for provisions of the Act shall be October 1, 1981 with the following exceptions:

(a) The provision for the Student Loan Marketing Association will become effective thirty (30) days after enactment of the Act;

(b) The origination fee is applicable to loans other than parent loans or consolidated loans, for which a completed note or other written evidence of the loan was sent or delivered to the borrower for signing on or after ten (10) days after the date of enactment of the Act. This provision allows only a short period of time for information on implementation of the fee to be disseminated to lending institution. It is therefore the intention of the Conferees that all official and unofficial channels available be used to notify lending institutions of the provision as soon as the Act is enacted.

The effective date for the Guaranteed Student Loan program is October 1, 1981. It is the decision of the Conferees that the amendments regarding the $30,000 cap and the need analysis test shall apply to all loans for which the required institutional statement showing the student's estimated cost of attendance and financial assistance is completed on or after October 1, 1981.

REFUGEE EDUCATION CONSOLIDATION

The House bill creates a new program which consolidates several existing authorities for refugee education into a single authorization. The Senate amendment contains no such provision.

The Senate recedes with an amendment clarifying the definition of refugee and the method of payment to school districts.

ELEMENTARY AND SECONDARY EDUCATION BLOCK GRANT

The House bill is entitled "Education Consolidation and Improvement Act of 1981". The Senate amendment is entitled "Elementary and Secondary Education Program Consolidation & Improvement Act."

The Senate recedes.

The Senate amendment in the heading of this subpart specifies that this assistance is to meet the special educational needs of "disadvantaged" children.

The House recedes.

The Senate amendment, but not the House bill, uses the adjective "unnecessary" in the Declaration of Policy to describe the paperwork and the Federal supervision the bill seeks to eliminate.

The House recedes.

The Senate amendment, but not the House bill, uses the word "may" immediately prior to the word "adversely" in describing a policy statement related to the LEA's ability to provide education to children from low-income families.

The Senate recedes.

The Senate amendment uses the words "overly prescriptive" to describe the regulations the bill seeks to eliminate. The House bill uses the word "detailed."

The House recedes.

The House bill authorizes the Act from October 1, 1982, through September 30, 1987. The Senate amendment authorizes the Act from October 1, 1981, through September 30, 1984.

The Senate recedes.

The House bill states that the Secretary shall make payments on the basis of the provisions of Title I, ESEA, as in effect on September 30, 1982. The Senate date is September 30, 1981.

The Senate recedes.

The heading of this section in the House bill is "applicable repealed provisions". The heading in the Senate amendment is "applicable Title I provisions of law".

The House recedes.

Because of the interstate nature of the Title I migrant education program, it is imperative that a coordinating, national effort be maintained through the office of the Secretary of Education. One particularly essential aspect to this effort is the Migrant Student Record Transfer System, which makes an annual head count of migrant students and is used to determine the allocations for participating states. It is the intent of the conferees that national focus be maintained in the migrant education program for purposes of interstate coordination and cooperation and that the setaside provided for in Part B, Subpart 1. Section 143(a) of Title I of the Elementary and Secondary Education Act be maintained.

The conferees also intend that the Program for Indian Children authorized under the setaside for the Secretary of the Interior be continued under the Education Consolidation and Improvement Act.

The House bill directs the Secretary, in making grants, to use certain provisions of Title I, ESEA as in effect on September 30, 1982. The Senate amendment is the same but the date is September 30, 1981.

The Senate recedes.

The Senate amendment, but not the House bill, explicitly makes inapplicable those provisions of current Title I, ESEA law which are not retained by the Senate amendment.

The House recedes with an amendment clarifying State and local responsibilities for regular record-keeping and reporting under both Titles I and II of the education consolidation act.

The Senate amendment uses "each" before SEA and LEA.

The House recedes.

The House bill permits LEAs to use funds for expenditures authorized under Title I, ESEA as in effect September 30, 1982. The Senate amendment is the same but the date is September 30, 1981.

The Senate recedes.

The House bill requires LEAs to conduct Title I programs in attendance areas having the highest concentrations of low-income children or in all attendance areas where there is a uniformly high concentration of low-income children. The Senate amendment requires these programs to be conducted in attendance areas having the highest concentration of educationally-deprived children or in all attendance areas where there is a uniformly high concentration of educationally-deprived.

The Senate recedes.

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The Senate amendment permits selection of "such (educationally deprived) children who have the greatest need". The House bill refers to "those children who have the greatest need".

The Senate recedes.

The House bill, but not the Senate amendment, requires that an LEA application to the SEA under Title I of the Act must include assurances that the programs were designed and implemented in consultation with parents and teachers of children being served.

The Senate recedes.

The Act requires that the parents and teachers of children served by Title I be consulted regarding the design and implementation of Title I programs. The conferees believe that parental and teacher involvement is an important component of Title I programs and wish to make clear that it is an option of the local educational agencies to continue using Parent Advisory Councils (PACs) to comply with the consultation requirement.

The House bill, but not the Senate amendment, requires these evaluations to include "objective" measurements of educational achievement.

The Senate recedes.

The Act requires that the programs and projects carried out under Title I be evaluated for effectiveness and that such evaluations include objective measurements of educational achievement. The conferees wish to clarify that the use of the term "objective" is not to be construed to mean any form of national competency testing and that the decision on which tests to use is purely a State or local decision.

The House bill, but not the Senate amendment, provides language which will "grandfather" any bypass arrangements under Title I, ESEA, in existence prior to the effective date of this Act, to the extent consistent with the purposes of this part.

The Senate recedes.

Maintenance of effort

The House bill and the Senate amendment revise the maintenance of effort requirements for Title I to allow for a 10 percent leeway and to provide that allocations be proportionately reduced for local educational agencies that do not meet the requirements. The conferees intend these provisions to take effect in school year 1982–1983. The conferees also intend that beginning in school year 1982–1983, school districts' compliance with these provisions shall be judged by the new, more flexible standards, even though the data on which the determination of compliance will be based, will have been accumulated in the prior years to which a stricter standard of maintenance of effort applied.

The Act provides greater flexibility in measuring maintenance of effort than exists presently. Yet, the conferees intend that the waiver authority granted to the State educational agency be applied only in limited circumstances. If a local education agency suffers declining revenues as a result of severe economic conditions, natural disaster, or similar circumstances, Congress would consider these exceptional or uncontrollable circumstances for waiver purposes. However, the conferees do not consider tax initiatives or referenda as exceptional or uncontrollable circumstances.

The House bill, but not the Senate amendment, provides that "this subsection not be construed to require the provision of services to eligible children outside the regular classroom or school program."

The Senate recedes with an amendment providing that in order to comply with this provision, a local educational agency shall not be required to provide services under this part outside the regular classroom or school program.

As regards the applicability of this section to migrant programs, practical necessity dictates that many migrant classrooms cannot be located within schools. They may be located in mobile vehicles or in structures near their parents' workplace. It is not the intent of the conferees to restrict this practice in any way, but instead to encourage adaptation to the needs of migrant children to ensure that they have access to the Title I program.

The House bill provides that an LEA must provide the SEA with assurances that it has established equivalence among schools with regard to the provision of curriculum materials and supplies. The Senate amendment establishes that equivalence among schools is to be measured by the amount of expenditures from general funds for these supplies.

The Senate recedes.

The House bill stipulates that unpredictable changes in student enrollments or personnel assignments which occur after the school year shall not be included as a factor in determining comparability. The Senate amendment contains a similar provision but refers to unpredictable changes in "pupil-teacher ratios."

The Senate recedes.

The Senate amendment, but not the House bill, makes specific statutory reference in the Statement of Purpose to all separate authorizations included under Title II of the Act. The House bill makes specific reference only to ESEA programs included.

The House recedes

The Senate amendment, but not the House bill, exempts from consolidation Title III (Part A) of ESEA, which relates to the Secretary's discretionary authority.

The Senate recedes.

The Senate amendment, but not the House bill, includes the Alcohol and Drug Abuse Education Act and the Follow Through Act in Title II of the amendment.

The conferees agreed to a substitute which consolidates the Alcohol and Drug Abuse Education Act into Title II effective in FY 83 and which phases the Follow Through Act into Title II over a period of three fiscal years, 1983 through 1985.

The House bill, but not the Senate amendment, provides that Congress will "financially" assist State and local educational agencies.

The Senate recedes.

The House bill provides that the main responsibility for carrying out the provisions of Title II shall be with "local boards of education," while the Senate amendment uses the words "local educational agencies" to describe the same.

The House recedes.

The House bill provides a such sums authorization for Title II of the bill for each of the fiscal years 83-87. The Senate amendment

provides for an authorization of $584,226,000 for FY 82 and $583,926,000 for each of the fiscal years 83–84. (Note: in another section of the reconciliation bill, the House bill limits the authorization for Title II.)

The Senate recedes with an amendment authorizing such sums as may be necessary for title II for each of the fiscal years 1982–1987 and which specifies that the duration of assistance for Title II is July 1, 1982 through September 30, 1987.

The House bill provides for a minimum payment of 0.4 percentum under the Title II allocation to states. The Senate amendment provides 0.6 percentum for the same purposes.

The Senate recedes with an amendment providing for a minimum payment of 0.5 percentum.

The Senate amendment, but not the House bill, permits regional school administrators to be represented on the advisory committee established by Title II.

The House recedes.

Regional school systems (i.e., county, intermediate, or area school districts) are found in many states and take on a variety of different roles. In a number of the states, they play a significant role in coordinating and providing various educational services. It is intended that in these states, the regional school district should be represented on the Gubernatorially-appointed advisory committee by a regional school district administrator.

The House bill, but not the Senate amendment, provides for a representative of the State legislature to be a member of the advisory committee established by Title II of the bill.

The Senate recedes.

The House bill, but not the Senate amendment, charges the advisory committee with advising the SEA on the formula for allocation of funds to LEAs.

The Senate recedes.

The House bill, but not the Senate amendment, requires that the State application set forth an allocation of funds required to implement section 5366 (non-public school section).

The Senate recedes with an amendment which inserts in section 5354(a)(3) after "sets forth the planned allocation of funds" the words "reserved for State use under section 5355(a)". This clarifies the intention that the State allocation—including the allocation of funds required to implement the requirements of section 5366 for the equitable participation of nonprofit private school children and personnel in instructional or personnel training programs funded by the State educational agency—apply only to those funds reserved for State use and not allocated to local educational agencies.

The Senate amendment, but not the House bill, specifies that the State application allocate the administrative costs of carrying out SEA programs from the amount reserved for State agency programs.

The House recedes.

Both the House bill and the Senate amendment require an annual evaluation of the effectiveness of programs assisted under Title II. The House bill establishes FY 85 for the first evaluation. The Senate bill establishes FY 84 for the first evaluation.

The House recedes.

The House bill provides that SEAs shall distribute not less than 80 percent of the funds under Title II to LEAs which have the greatest "numbers of percentages" of children whose education imposes a higher than average cost per child. The Senate provision refers to LEAs which have the greatest "numbers of percentages" of the same.

The House recedes.

The Senate amendment, but not the House bill, provides that LEAs can qualify for funds based on high concentrations of children living in economically depressed urban areas.

The House recedes with an amendment which applies this provision to both economically depressed urban areas and economically depressed rural areas.

The House bill, but not the Senate amendment, contains a provision which requires the LEA to include in its application to the SEA for funding an allocation plan showing how programs for private school children shall be funded.

The Senate recedes.

It is the intent of the Conferees to insure that the determination of the LEA fund allocation for the implementation of this Section, the equitable participation of private school children, rest solely and completely with the LEA, subject to conformity with the requirement of section 557.

The Senate amendment, but not the House bill, contains a provision under Title II, Part A, allowing SEAs to use funds they receive under the bill for technical assistance for State boards of education.

The House recedes.

The conferees wish to make clear that this provision is designed to provide funds to the State boards to help them fulfill their increased policymaking responsibility under the grants consolidation.

Under both the House bill and the Senate amendment, SEAs may support activities designed to enlist the assistance of parents and volunteers working with the schools to improve the basic skills performance of children. In the House bill, such activities shall be conducted only with "approval of and in conjunction with programs of LEAs". The Senate amendment provides that the activities "be conducted by LEAs."

The Senate recedes.

The House bill provides in the Statement of Purpose that both SEAs and LEAs are permitted to use the Federal funds under this subpart.

The Senate amendment specifically mentions LEAs as eligible grantees.

The House recedes to the Senate and the Senate recedes to the House, so that both provisions are included in the bill.

The statement of purpose in the House bill and the Senate amendment differ in that the Senate amendment makes reference to consolidating the activities of the Teacher Corps, Teachers Centers, and the National Science Foundation Pre-college Teacher training program. The House bill consolidates these items in subpart C.

The House recedes.

The House bill, but not the Senate amendment, includes a provision which allows funds to be used to meet the educational needs of handicapped children.

The House recedes.

The Senate amendment, but not the House bill, includes teacher training and in-service staff development as authorized activities.

The House recedes.

The Senate amendment, but not the House bill, includes programs to assist LEAs in meeting the needs of children in schools undergoing desegregation and developing and implementing plans to eliminate "desegregation" as authorized activities under the subpart.

The House recedes.

The conferees wish to clarify that the term "desegregation" means the elimination of judicially-determined segregation.

The Senate amendment, but not the House bill, states that it is the intent that funds available under Subchapter III are permitted to be used to make grants to "local educational agencies." Under both the Senate amendment and the House bill, however, funds can be used to make grants to "educational agencies."

The House recedes.

The House bill, but not the Senate, makes general reference to the "supporting authorizations" relating to the current authorizations for the Teacher Center, Teacher Corps and National Science Foundation Pre-college Teacher Training programs, and activities authorized under Title IV of the Civil Rights Act. The Senate amendment specifically lists in the Statement of Purpose all programs included in this subpart: Title III, VIII, and IX of ESEA and the Alcohol and Drug Abuse Education Act and Part B of Title V of the Economic Opportunity Act of 1964 (Follow Through). The House bill does not make such reference.

The House recedes on the format of specifically listing in the Statement of Purpose each program that is consolidated.

The Senate amendment, but not the House bill, includes Alcohol and Drug Abuse prevention activities.

The conferees agreed to a substitute which places Alcohol and Drug Abuse prevention activities under the Secretary's Discretionary authority in Subchapter D, not in this subchapter. The agreement also specifies that Alcohol and Drug Abuse Education will be funded by the Secretary at a level not less than the program's FY 81 level.

The Senate amendment but not the House bill, included activities previously authorized under Follow Through.

The House recedes.

The House bill, but not the Senate amendment, includes preschool partnership programs in conjunction with Headstart-Follow Through.

The Senate recedes.

The House bill makes reference to "legal institutions". The Senate amendment refers to "underlying principles.

The House recedes to the Senate and the Senate recedes to the House so that both provisions are included in the bill.

The House bill, but not the Senate Amendment, lists the pre-college science teacher training program as an authorized activity under this subpart.

The House recedes.

The House bill, but not the Senate amendment, includes teacher centers and teacher corps as authorized activities under this subpart.

The House recedes.

The House bill, but not the Senate amendment, provides that LEAs may use funds under this subpart to provide support for training and advisory services currently authorized and funded under Title IV of the Civil Rights Act of 1964.

The Senate recedes.

The House bill refers to "fiscal effort per student". The Senate amendment refers to "*combined* fiscal effort per student."

The House recedes.

The House bill, but not the Senate amendment, makes this section applicable to instructional or personnel training programs funded by the SEA from funds under this title.

The Senate recedes.

The House bill, but not the Senate amendment, contains a provisions which states that the requirements of section 5366 relating to the participation of children, teachers, and other personnel serving children enrolled in private schools shall apply to programs and projects carried out directly or indirectly by contract or grant.

The Senate recedes.

The House bill makes the Secretarial waiver applicable "if by any providing of law a State or local educational agency fail or refuses" to provide for the participation of private school children. The Senate amendment provides that the waiver shall take effect "if a State is prohibited by law" from providing for the participation of such children.

The Senate recedes to the House and the House recedes to the Senate so that the legislative language reads, "If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation . . . "

The House bill, but not the Senate amendment, contains a provision which "grandfathers" any bypass determination made by the Secretary under the Elementary and Secondary Education Act, Titles II-VI and VIII and IX, prior to the effective date of this subpart, to the extent consistent with the purposes of this subpart.

The Senate recedes.

The House bill, but not the Senate amendment, authorizes the special mathematics program the National Diffusion Networks, and the programs previously authorized under the Women's Educational Equity Act to be funded from the Secretary's discretionary program, at a level necessary to sustain their levels of operation in FY 81. Both the House bill and the Senate amendment include the Inexpensive Book Distribution Program under the Secretary's discretionary program. The House bill includes the "national program" of arts in education, while the Senate amendment includes the entire Arts in Education program.

The conferees agreed to a substitute which includes the following provisions: First, the Inexpensive Book Distribution Program and the national program of Arts in Education will remain under the Secretary's discretionary authority with their funding protected at the FY 81 level. Second, the Alcohol and Drug Abuse education program will be placed under the Secretary's discretionary authority with its funding protected at the FY 81 level. Third, the Nation-

al Diffusion Network will be included under the Secretary's discretionary authority. Fourth, the special mathematics program will be removed from the Secretary's discretionary authority and instead included as an authorized activity under Subchapter A of Title II of this Act. Fifth, the Women's Educational Equity Act will be removed from Title II altogether and be continued as separate legislation with an authorization of $6 million for each of the fiscal years 1982, 1983, and 1984.

The national programs of arts in education are those run by the National Committee, Arts for the Handicapped and the John F. Kennedy Center for the Performing Arts programs for Children and Youth.

In agreeing to place the Special Math Program in the state block grant the Managers hope the Secretary will look favorably on continuing "Project Seed" with discretionary funds. The program has been extremely successful in improving the math skills of disadvantaged youngsters and the unique nature of this program merits continued national support.

The provisions of this subchapter of the House bill take effect October 1, 1982. The Senate amendment takes effect October 1, 1981.

The Senate recedes.

The House bill repealers take effect on September 30, 1982. The Senate amendment repealers take effect on October 1, 1981.

The Senate recedes.

The House bill, but not the Senate amendment, repeals Title III (Part A) of ESEA. The Senate amendment, but not the House bill, repeals the Alcohol and Drug Abuse Education Act and the Follow Through Act.

The Senate amendment, but not the House bill, repeals the Alcohol and Drug Abuse Education Act and the Follow Through Act.

The Senate recedes on the repeal of Title III-A.

The House recedes with an amendment to repeal the Alcohol and Drug Abuse Act on October 1, 1982 and the Follow Through Act on October 1, 1984.

The House bill, but not the Senate amendment, provides that funds appropriated in FY 82 for programs repealed are for use in school year 1982-83 to carry out the provisions of the education consolidation bill.

The Senate recedes.

YOUTH CONSERVATION CORPS ACT OF 1970

The House bill provided that no funds are authorized to be appropriated for the Youth Conservation Corps (Y.C.C.) for FY 1982, 1983, or 1984. The Senate Amendment contained no comparable provision. The Senate recedes with an amendment which prohibits appropriations for Y.C.C. for FY 1982, 1983 or 1984.

The language of the Conference Report does not repeal the Y.C.C. Authority for the activities of the Y.C.C. continues for the period covered by the provison provided that funding for such activities is derived from other sources.

The House agrees to the same.

TITLE VI—HUMAN SERVICES PROGRAMS

GENERAL PROVISIONS

The House bill is a free-standing piece of legislation, while the Senate amendment, in most instances, amends the text of current law.

The Senate recedes.

The Senate amendment, but not the House bill, contains limits on appropriations for FY 81.

The Senate recedes.

The House bill provides that laws not consistent with the provisions of Title V of the bill are superseded and have only such effect in FY 1982, 1983 and 1984 as may be consistent with Title V. The House further, notwithstanding any other law, precludes appropriatons in excess of the limitations provided in Title V of the reconciliation bill. The Senate amendment precludes appropriations for FY 1981, 1982 or 1983 to the Department of Education, the National Endowment for the Arts or the National Endowment for the Humanities unless there was either an appropriation for the activity in FY 1980 or there is a specific authorization for the activity in these reconciliation provisions.

The Senate recedes.

EDUCATION OF THE HANDICAPPED PROGRAMS

The House bill limits appropriations to carry out part B of the Education of the Handicapped Act, other than sections 618 and 619, to $932,000,000 for each of the fiscal years 1982, 1983 and 1984. By contrast, the Senate amendment limits appropriations to $969,850,000 for fiscal year 1982, and $1,017,900,000 for 1983.

The House recedes with an amendment authorizing appropriations of $1,017,900,000 for 1984.

Special studies

The House bill limits appropriations to carry out section 618 to $2,300,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $2,300,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Preschool incentive grants

The House bill limits appropriations to carry out section 619 of such Act to $25,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $25,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Severely handicapped projects

The House bill limits appropriations to carry out sections 621 and 624 of such Act (pertaining to projects for severely handicapped children) to $5,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $5,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Regional resource centers

The House bill limits appropriations to carry out section 621 of such Act to $9,800,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $9,800,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Deaf-blind centers

The House bill limits appropriations for section 622 of such Act to $16,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $16,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Early childhood projects

The House bill limits appropriations for section 623 of such Act to $20,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $20,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Regional vocational, adult and postsecondary projects

The House bill limits appropriations to carry out section 625 of such Act to $4,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $4,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Personnel development

The House bill limits appropriations to carry out sections 631, 632 and 634 to $58,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $58,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Recruitment and information

The House bill limits appropriations to carry out section 633 of such Act to $1,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this section to $1,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Innovation and development

The House bill limits appropriations to carry out part E of such Act to $20,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this part to $20,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Media services

The House bill limits appropriations to carry out part F of such Act to $19,000,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits appropriations for this part to $19,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Evaluation

The House bill limits appropriations for section 14 of the Act to $2,200,000 for fiscal year 1982, $2,300,000 for fiscal year 1983, and $2,400,000 for fiscal year 1984. The Senate amendment limits appropriations for section 14 to $650,000 for each of the fiscal years 1982 and 1983.

The conference agreement provides that no funds are authorized to be appropriated for this section for each of the fiscal years 1982 and 1983.

Ceiling on authorization of appropriations

The House bill, unlike the Senate amendment, includes no limitation on appropriations for the entire Rehabilitation Act. The Senate amendment authorizes appropriations of $1,009,260,000 for the fiscal year 1982 and $1,054,160,000 for the fiscal year 1983 to carry out provisions of the Act.

The House recedes.

Information clearinghouse

The House bill limits appropriations for section 15 of the Act to $500,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment includes no comparable provision.

The conference agreement provides that "such sums as may be necessary" are authorized to be appropriated for this section for each of the fiscal years 1982 and 1983. It is the conferees' understanding that the Clearinghouse will continue to be funded through appropriations for salaries and expenses of the Department of Education and its funding is, therefore, not included in the total funding for the Rehabilitation Act.

Administration of the act/technical assistance

The House bill unlike the Senate amendment, includes no provision affecting section 12(d) of the Act. The Senate amendment limits appropriations for section 12 (d) to $250,000 for each of the fiscal years 1982 and 1983.

The House recedes.

State grants

The House bill limits appropriations for part A of title I of the Act to $714,500,000 for the fiscal year 1982, $774,500,000 for the fiscal year 1983, and $775,200,000 for the fiscal year 1984. The Senate amendment authorizes for section 100(b)(1) of the Act $899,000,000 for the fiscal year 1982 and $943,900,000 for the fiscal year 1983.

Client assistance and maintenance of efforts

The House bill limits appropriations for part B of title I of the Act to $13,400,000 for the fiscal year 1982, $14,300,000 for the fiscal year 1983, and $14,900,000 for the fiscal year 1984. The Senate amendment authorizes $3,500,000 for each of the fiscal years 1982 and 1983 for section 112(a) of the Act.

The House recedes with an amendment providing that the requirement for the setting aside of funds established in the first sen-

tence of section 112(a) of such Act shall have no force or effect for the fiscal years 1982 and 1983.

Innovation and expansion

The House bill precludes appropriations for section 120(a)(1) of the Act for the fiscal years 1982, 1983 and 1984. The Senate amendment authorizes appropriations for section 120(a)(1) at "such sums as may be necessary" for each of the fiscal years 1982 and 1983.

The Senates recedes with an amendment deleting reference to the fiscal year 1984.

American Indian tribes

The House bill limits appropriations for part D of title I to $700,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment authorizes appropriations for such part at $650,000 for each of the fiscal years 1982 and 1983.

The House recedes.

National Institute of Handicapped Research

The House bill limits appropriations for section 202 of the Act to $38,000,000 for the fiscal year 1982, $40,500,000 for the fiscal year 1983, and $36,000,000 for the fiscal year 1984. The Senate amendment authorizes appropriations for section 201(a) at $35,000,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Construction of rehabilitation facilities

The House bill precludes appropriations for section 301 of the Act for the fiscal years 1982, 1983 and 1984. The Senate amendment allows to stand the authorization of such sums as may be necessary for the fiscal year 1982 and does not extend the authorization of appropriations for the fiscal year 1983. The Senate amendment extends the date prior to which amounts appropriated under section 301(a) remain available for expenditure from October 1, 1983 to October 1, 1984.

The Senate recedes with an amendment deleting reference to the fiscal year 1984.

Training services for handicapped individuals

The House bill limits appropriations for section 302 of the Act to $3,200,000 for each of the fiscal years 1982, 1983, and 1984. The Senate amendment extends the authorization of "such sums as may be necessary" for section 302 until October 1, 1983.

The conference agreement provides that no funds are authorized to be appropriated for this section for the fiscal years 1982 and 1983.

Personnel training

The House bill limits appropriations for section 304 of the Act to $27,400,000 for the fiscal year 1982, $29,300,000 for the fiscal year 1983 and $33,800,000 for the fiscal year 1984. The Senate amendment authorizes for such section $25,500,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Comprehensive rehabilitation centers

The House bill limits appropriations for section 305 of the Act to $2,200,000 for the fiscal year 1982 and $2,300,000 for the fiscal years 1983 and 1984. The Senate amendment authorizes appropriations of $2,000,000 for such section in each of the fiscal years 1982 and 1983.

The conference agreement provides that no funds are authorized to be appropriated for this section for the fiscal years 1982 and 1983.

Special projects

The House bill limits appropriations for part B of title III of the Act (other than section 313) to $4,800,000 for the fiscal year 1982, $5,100,000 for the fiscal year 1983, and $5,300,000 for the fiscal year 1984. The Senate amendment authorizes appropriations for such part (other than section 313) at $13,580,000 for each of the fiscal years 1982 and 1983. The Senate amendment, further, provides that up to $1,530,000 may be appropriated for section 312, Migratory Workers projects, in fiscal years 1982 and 1983. The House bill includes no comparable provision.

The conference agreement authorizes for part B of title III, exclusive of sections 313 and 316, $12,210,000 for each of the fiscal years 1982 and 1983. The agreement deletes the existing set-aside in the Act for section 312, Migratory Workers projects, and provides an authorization of $2,000,000 for section 316, Special Recreation Programs, for each of the fiscal years 1983 and 1983.

Helen Keller National Center

The House bill limits appropriations for section 313 of the Act to $3,800,000 for the fiscal year 1982 and $4,000,000 for the fiscal years 1983 and 1984. The Senate amendment authorizes appropriations of $3,500,000 for such section in each of the fiscal years 1982 and 1983.

The House recedes.

National Council on the Handicapped

The House bill limits appropriations for title IV of the Act to $300,000 for each of the fiscal years 1982, 1983, and 1984. The Senate amendment authorizes appropriations for such title at $256,000 for each of the fiscal years 1982 and 1983.

The House recedes.

Architectural and Transportation Barriers Compliance Board

The House bill limits appropriations for section 502 of the Act to $2,800,000 for the fiscal year 1982 and authorizes no funds to be appropriated for such section in fiscal years 1983 and 1984. The Senate amendment contains no comparable provision.

The conference agreement provides that "such sums as may be necessary" are authorized to be appropriated for such section in each of the fiscal years 1982 and 1983.

Secretarial responsibilities/technical assistance

The House bill limits appropriations for section 506 of the Act to $300,000 for each of the fiscal years 1982, 1983, and 1984. The Senate amendment includes no comparable provision.

The conference agreement provides that no funds are authorized to be appropriated for this section for each of the fiscal years 1982 and 1983.

Community service employment pilot programs

The House bill precludes appropriations for part A of title VI of the Act for the fiscal years 1982, 1983 and 1984. The Senate amendment authorizes "such sums as may be necessary" for such part in fiscal years 1982 and 1983.

The Senate recedes with an amendment deleting reference to the fiscal year 1984.

Comprehensive services for independent living

The House bill limits appropriations for part B of title VII of the Act to $19,400,000 for the fiscal year 1982, $20,000,000 for the fiscal year 1983, and $15,000,000 for the fiscal year 1984. The House bill includes no provision affecting parts A, C, and D of such title. The Senate amendment authorizes appropriations for parts A, B, and C of title VII at $18,000,000 for each of the fiscal years 1982 and 1983, and "such sums as may be necessary" for part D of such title for the fiscal years 1982 and 1983.

The conference agreement provides that $19,400,000 is authorized to be appropriated for part B of title VII for each of the fiscal years 1982 and 1983. The agreement further provides that no funds are authorized to be appropriated for parts A, C, and D of such title for each of the fiscal years 1982 and 1983.

Projects with industry and business opportunities

The House bill limits appropriations for part B of title VI of the Act to $11,400,000 for the fiscal year 1982, $12,100,000 for the fiscal year 1983 and $12,800,000 for the fiscal year 1984. The Senate amendment authorizes appropriations of $5,800,000 for such part for each of the fiscal years 1981, 1982, and 1983.

The conference agreement provides that $8,000,000 is authorized to be appropriated for such part for each of the fiscal years 1982 and 1983.

American Printing House for the Blind

The House bill limits appropriations for the American Printing House for the Blind to $5,595,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment limits such appropriations to $5,000,000 for each of the fiscal years 1982 and 1983.

The conference agreement limits appropriations to $5 million for each of the fiscal years 1982, 1983 and 1984.

Gallaudet College

The House bill authorizes not to exceed $61,532,000 for each of the fiscal years 1982, 1983 and 1984. The Senate amendment authorizes appropriations of $50,000,000 for each of the fiscal years 1982 and 1983.

The House recedes with an amendment authorizing appropriations of $52,000,000 for each of the fiscal years 1982, 1983 and 1984. This appropriation includes the operation of Kendall Demonstration Elementary School and the Model Secondary School for the Deaf.

National Technical Institute for the Deaf

The House bill limits appropriations for the National Technical Institute for the Deaf Act to $32,811,000 for each of the fiscal years 1982, 1983, and 1984. The Senate amendment limits such appropriations to $20,300,000 for each of the fiscal years 1982 and 1983.

The House recedes with an amendment authorizing appropriations of $26,300,000 for each of the fiscal years 1982, 1983 and 1984.

Committee on Purchases of Blind-made Products

Unlike the House bill, the Senate amendment limits appropriations for the Act to Create a Committee on Purchases of Blind-made Products to $500,000 for each of the fiscal years 1982 and 1983.

The Senate recedes.

OLDER AMERICAN PROGRAMS

The House bill limits appropriations for Title IV of the Older Americans Act (research, training and discretionary programs) to $24,700,000 for each of the fiscal years 1982, 1983, and 1984.

Senate amendment contains no comparable provision.

The House recedes.

The House bill authorizes such sums as may be necessary to be appropriated for fiscal years 1982, 1983, and 1984 for programs authorized under the Older Amercians Act.

The Senate amendment limits appropriations for all Titles of the Older Americans Act, except Title V, to $749,555,000 for fiscal year 1982, and $793,312,000 for fiscal year 1983, but provides further that no sums may be appropriated for fiscal year 1982 or fiscal year 1983 unless the "Older Americans Amendments of 1981" have been enacted.

The House recedes with an amendment striking the restriction that no funds may be appropriated without enactment of subsequent amendments; an amendment limiting appropriations for all Titles of the Older American Act, except Title V, to $715,000,000 for fiscal year 1982; and an amendment to section 213 of the Act to eliminate the requirement that for-profit organizations receiving grants and contracts under the Act demonstrate clear superiority to non-profit organizations.

The conferees emphasize that this legislation does not amend the existing USDA elderly commodity program. Further, the conferees are agreed that in reaching the $715 million authorization ceiling, the programs under the Act, with the exception of Title IV, should be based upon CBO current services levels for fiscal year 1982.

The conferees intend that the total amount of appropriations for Title IV should not exceed $23,200,000 for fiscal year 1982, and $24,700,000 for fiscal year 1983. The conferees fully intend that the House and Senate respectively, will move to act in this Congress on previously reported bills to reauthorize the Older Americans Act of 1965 through fiscal year 1984.

The House bill authorizes such sums as may be necessary for fiscal years 1982, 1983 and 1984, for Title V of the Older Americans Act.

The Senate Amendment authorizes $277,100,000 for fiscal year 1982, and $293,726,000 for fiscal year 1983 for Title V.

The House recedes with an amendment to authorize for Title V, $277,100,000 in fiscal year 1982, and $293,726,000 in fiscal year 1983, or such sums as may be necessary to maintain the existing activity level of 54,200 20-hour job slots. The conferees believe that sufficient administrative savings can be achieved to continue the 54,200 20-hour job slots within the $277,100,000 and $293,726,000 authorizations. However, in the event such savings cannot be achieved, the conferees have provided authority for additional appropriations to be made to assure continuation of the existing activity level.

For the past twelve years, the Senior Community Service Employment Program has successfully demonstrated the useful and valuable contribution that older workers can make toward enhancing the quality of life for their neighbors and has given older persons a renewed sense of accomplishment and self-worth. It is the intent of the conferees that the SCSEP continue to build on its past accomplishments and that the Secretary of Labor encourage sponsors to increase their efforts to transfer program participants into private sector jobs. The trend toward longer work force participation because of improved health, changing attitudes of workers and employers, and the erosion of retirement income by inflation compels us to move in this direction.

WHITE HOUSE CONFERENCE ON AGING

The House bill limits appropriations to carry out the White House Conference on Aging to $3,200,000 for the fiscal years 1982, 1983 and 1984.

The Senate amendment contains no comparable provisions.

The House recedes.

DOMESTIC VOLUNTEER SERVICE PROGRAMS

The House bill extends Title I of the Domestic Volunteer Services Act through fiscal year 1984 and limits appropriations to $25,763,000 for fiscal year 1982, $15,391,000 for fiscal year 1983, and $9,000,000 for fiscal year 1984.

The Senate amendments extends Title I only through fiscal year 1983, setting the appropriations limit for fiscal years 1982 and 1983 at the same levels as the House.

The House recedes with an amendment providing a floor for the funding of the VISTA program through 1983. Of the amounts appropriated for Title I in fiscal year 1982, no less than $16 million shall first be available for VISTA and of the funds appropriated for Title I in fiscal year 1983, no less than $8 million shall first be available for VISTA.

The Senate amendment changes section 114 of the Domestic Volunteer Services Act by eliminating the ceiling of 22 percent of the first $4,000,000 appropriated under Part B of Title I for programs other than the University Year for ACTION program.

The House bill contains no comparable provision.

The House recedes.

The House bill extends Title II of the Domestic Volunteer Services Act at such sums as may be necessary for 1982, 1983, and 1984.

The Senate amendment extends these programs for only two years and authorizes $95 million for fiscal year 1982 and $100 million for fiscal year 1983. The Senate amendment also provides, for the first time, a separate appropriations authorization for the Senior Companions Program.

The Senate amendment places an overall ceiling on the authorization of appropriations for the Domestic Volunteer Services Act of $150,325,000 for fiscal year 1982, and $149,945,000 for fiscal year 1983.

The House bill contains no comparable provision.

The House recedes with an amendment to specify an authorization ceiling for program support, and to eliminate an overall cap on the programs under the Domestic Volunteer Services Act of 1973.

HEAD START PROGRAMS

The Senate amendment provides for a "Head Start Act".

The House bill contains no authorization for Head Start, which expires September 30, 1981, and no provision comparable to the Senate amendment.

The House recedes with a technical amendment.

The Senate amendment would extend Head Start and authorize the Secretary to continue migrant and Indian programs.

The House recedes.

The Senate amendment provides that "Secretary" means the Secretary of Health and Human Services; "State" means a State, Puerto Rico, the District of Columbia, or the Territories; and "financial assistance" includes assistance provided by grant, agreement, or contract.

The House recedes with a technical amendment.

The Senate amendment authorizes the Secretary to provide assistance to programs focused "primarily upon children from low-income families" which provide comprehensive services and provide for parental involvement.

The House recedes.

The Senate amendment authorizes $820 million for FY 1982, $1,007,000,000 for FY 1983, and $1,058,357,000 for FY 1984.

The House recedes with an amendment raising the authorization for Head Start to $950 million in FY 1982.

The Senate amendment provides a new formula for the distribution of funds. Puerto Rico and the Territories would not be considered States. The Territories would be eligible for no more than 2 percent of the appropriation to be divided among them, however, Puerto Rico would be totally excluded. Financial assistance would not exceed 80 percent unless a waiver is granted by the Secretary. The Secretary must establish policies to assure that at least 10 percent of the Head Start enrollees are handicapped and shall report annually regarding compliance with this requirement.

The House recedes with an amendment reinstating the hold harmless and indexing provisions for Indian and migrant Head Start programs; reducing the Secretary's discretionary reserve to 13 percent; limiting payments to the Trust Territories to one-half

of 1 percent; and clarifying that Puerto Rico shall be considered a State for the purposes of allocation of funds.

The Senate amendment authorizes the Secretary to designate Head Start agencies according to selected criteria. The Secretary must require the continuation of parental involvement.

The House recedes.

The Senate amendment sets forth fiscal requirements under which a Head Start agency can be designated. In addition, in order to be designated, a Head Start agency must assure parental and community participation.

The House recedes with an amendment adding the requirement that Head Start agencies seek reimbursement from other service agencies as a condition of designation.

The Senate amendment provides that in order to receive assistance, plans must be submitted and not disapproved by the Governor within 30 days. The Secretary is authorized to reconsider disapprovals.

The House recedes.

The Senate amendment requires each Head Start agency to observe specified standards. Costs for developing and administering programs may not exceed 15 percent of total costs, including non-Federal contributions.

The House recedes.

The Senate amendment authorizes the Secretary to establish regulations pertaining to eligibility for participation.

The House recedes.

The Senate amendment authorizes the Secretary to establish procedures concerning appeals, notices, and hearings.

The House recedes.

The Senate amendment requires each recipient to make available such records as required by the Secretary and authorizes the Secretary and the Comptroller General to have access to such records.

The House recedes.

The Senate amendment authorizes the Secretary to provide technical assistance and specialized training.

The House recedes.

The Senate amendment authorizes the Secretary to provide assistance for research, demonstration, and pilot projects and requires the Secretary to establish an overall plan to govern approval of such projects.

The House recedes.

The Senate amendment authorizes the Secretary to make public announcements regarding results or findings from assisted projects within specified periods of time.

The House recedes.

The Senate amendment requires the Secretary to carry out continuing evaluations. Programs of evaluation carried out by the Secretary must adhere to Head Start performance standards.

The House recedes with a perfecting amendment requiring that, in carrying out evaluations under this program, the Secretary establish working relationships with faculties in colleges or universities, unless no such institution is willing and able to participate in the evaluation. The conferees agree that the Secretary shall estab-

lish such relationships with those colleges and universities which have the greatest capability to assist in such evaluations.

The Senate amendment requires the Secretary to annually revise the poverty line by multiplying the official poverty line by the percentage change in the Consumer Price Index. Revisions must be made not more than 30 days after the Consumer Price Index information becomes available.

The House recedes.

The Senate amendment requires the Secretary to assure that persons employed by Head Start do not receive more than the average or lower than the minimum wage rate for comparable work in their area.

The House recedes.

The Senate amendment prohibits discrimination on the basis of race, creed, color, national origin, sex, political affiliation, or beliefs.

The House recedes with a technical amendment to include the Rehabilitation Act of 1973.

The Senate amendment prohibits Head Start employees from involvement in unlawful demonstrations, rioting, or civil disturbances.

The House recedes.

The Senate amendment prohibits grant funds from being used to support partisan or nonpartisan political activities.

The House recedes.

The Senate amendment authorizes appropriations to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

The House recedes with an amendment which is contained in the resolution of difference discussed in the following issue.

CHILD ABUSE PREVENTION AND TREATMENT PROGRAMS

The House bill repeals the Child Abuse Prevention and Treatment Act of 1974 and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978. The Senate amendment authorizes $7,000,000 for the Child Abuse Prevention and Treatment Act for each of the fiscal years 1982 and 1983 provided that a program relating to child abuse prevention and treatment is enacted after June 15, 1981.

The House recedes with an amendment which authorizes $7,000,000 for grants to the states under Sec. 4(b)(1) of the Child Abuse Prevention and Treatment Act for each of the fiscal years 1982 and 1983. In addition, it authorizes the Secretary of the Department of Health and Human Services to provide for activities of a national scope related to child abuse prevention and treatment and adoption reform, including a national center to publish and disseminate information regarding child abuse and neglect, and operation of a national adoption information exchange to facilitate the adoption of children. In carrying out these discretionary authorities the Secretary is directed to provide for the continued operation of the National Center on Child Abuse and Neglect in accordance with the provisions of Sec. 2(a) of the Child Abuse Prevention and Treatment Act. If the Secretary carries out any of the activities enumerated under Sec. 2(b) of the Child Abuse Prevention

and Treatment Act, he is directed to carry out such activities through the National Center on Child Abuse and Neglect.

In addition, the amendment to the Senate language authorizes to be appropriated $12,000,000 for each of the fiscal years 1982 and 1983 to carry out the discretionary authorities in the act of which no less than $2,000,000 is to be used for Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act.

The Conferees also agree that the amounts authorized to be appropriated are not to be made available for disbursement under any block grant program established in the Omnibus Reconciliation Act.

COMMUNITY SERVICES BLOCK GRANT

The Senate amendment establishes a Community Services Block Grant.

The House bill contains no comparable provision.

The House recedes.

The Senate amendment would authorize $354,375,000 for fiscal year 1982 and each of the four succeeding fiscal years.

The House recedes with an amandment to authorize $389,375,000 for fiscal year 1982 and each of the four succeeding fiscal years.

The Senate amendment provides that the term "poverty line" refers to the line established by the Secretary (sic) of OMB; that the term "Secretary" means the Secretary of HHS; and that the term "State" means the several States, the District of Columbia, Puerto Rico, and the territories.

The House recedes with a technical amendment and an amendment to clarify the definition of "poverty line".

The Senate amendment provides that from 99 percent of the appropriation, each State would receive an allotment based on the percentage of individuals and families below the poverty line in such State except that no State would receive less than one-half of 1 percent of the amount appropriated.

The House recedes with an amendment setting aside one-half of 1 percent for the Trust Territories and reducing the small State minimum to one-quarter of 1 percent.

The Senate amendment provides that for the purpose of making allocations, Puerto Rico and the Territories would not be considered States. One percent of the appropriation would be divided among these areas on the basis of need. If the Secretary receives a request from the governing body of an Indian tribe that assistance be made directly to that tribe and the Secretary determines that such tribe would be better served, the Secretary can reserve amounts for that tribe from a State's allotment based on the ratio that tribe's population bears to the population of all eligible households in the State. In order to be eligible, an Indian tribe shall submit a plan. "Indian tribe" and "tribal organizations" are defined according to the same criteria established in the Indian Self-Determination and Education Assistance Act.

The House recedes with an amendment clarifying that Puerto Rico shall be treated as a State for the purpose of making allocations, clarifying the definitions of "Indian tribe" and "tribal organizations", and limiting the setaside for the Territories to one-half of 1 percent.

The Senate amendment provides that each State desiring an allotment must submit an application as required by the Secretary. After the first year a State receives an allotment, the State legislature must hold public hearings on the proposed use and distribution of funds. In its application, a State must agree to use the funds to provide services having a "measurable and potentially major impact on the causes of poverty and to provide activities designed to assist participants in areas of employment; education; utilization of available income; housing; emergency assistance; self-sufficiency; community participation; and service utilization. States would be required to use at least 95 percent of their allotments to make grants to local governments for the purposes of the block grant which the local government may use directly, or give to non-profit private community organizations having boards meeting specified requirements, or to seasonal farmworker organizations. States would not be able to spend more than 5 percent of their allotment for administrative purposes. States would be required to assure that any community action agency board or non-profit private organization will be constituted so that:

(1) one-third of the members are elected public officials;

(2) one-third are chosen democratically to represent the poor in the area served; and

(3) one-third are members of business, industry, labor, religious, welfare, education, or other major community groups.

The State would be required to give special consideration to existing community action agencies. The State may transfer not more than 5 percent of its allotment to services under the Older Americans Act, Head Start, or energy crisis intervention. The State must prohibit political activities, including activities to provide voters transportation to the polls or similar assistance. The State must provide coordination between antipoverty programs and emergency energy crisis intervention programs, and provide for fiscal controls and accounting procedures. However, the Senate amendment stipulates that the Secretary cannot prescribe regulations for State compliance with any of the subsection's requirements.

Additionally, the State must submit a plan and revise plans as appropriate. Revised plans must be submitted to the Secretary. Each plan must be available for public inspection. Audits must be completed by an independent entity and submitted within 30 days to the Secretary and the State legislature. The State must repay misspent sums and the Comptroller General must, from time to time, evaluate State expenditures.

The House recedes with a technical amendment, and an amendment to specify the status of existing community action agencies and programs in fiscal year 1982 under the Community Services Block Grant, and to decrease from 95 percent to 90 percent the required pass through to local units of government or non-profit private community organizations, or migrant and seasonal farmworker organizations, in fiscal year 1983.

The Senate amendment would create an Office of Community Services within the Department of Health and Human Services to be headed by a Director.

The House recedes. The conferees emphasize that the Community Services Administration, as an agency, is terminated and that the Community Services Block Grant is clearly a new program

within the Department of Health and Human Services, not a transfer of authority.

The Senate amendment prohibits discrimination on the basis of race, color, national origin, sex, age, or handicap and provides for administrative remedies and legal remedies for non-compliance.

The House recedes.

The Senate amendment provides that allotments shall be made in accordance with provisions of the Intergovernmental Cooperation Act of 1968 and that funds be expended in the same fiscal year or the succeeding fiscal year.

The House recedes.

The Senate amendment authorizes the Secretary to withhold funds from States who do not utilize their funds appropriately and requires the Secretary to respond expeditiously to "serious complaints" regarding misutilization. The Senate amendment stipulates that the Secretary may not withhold funds for minor failures to comply. The Senate amendment would require the Secretary to conduct investigations each fiscal year regarding compliance, particularly when the Secretary determines that there is a pattern of complaints. The Comptroller General may also conduct investigations. While States are directed to make appropriate documents available to the Secretary or the Comptroller General, the Secretary or Comptroller General may not request information not readily available.

The House recedes with technical amendments. The conferees agree that the Secretary, in making a determination as to substantial compliance, shall make each decision on a case-by-case basis.

The Senate amendment provides that, with exceptions, grants may not be used to purchase or improve land or to purchase, construct, or permanently improve buildings or facilities, other than low-cost residential weatherization or energy-related home repairs.

The House recedes.

The Senate amendment would repeal all of the Economic Opportunity Act except for the Community Economic Development Program (Title VII) and the Legal Services Corporation (Title X).

The House recedes with an amendment, (1) repealing Title VII of the Economic Opportunity Act of 1964, and reinstating Title VIII of the Act; (2) providing discretionary authority for the Secretary to operate training activities and activities of national or regional significance; (3) adopting new authorizing language relating to various activities authorized under the discretionary authority above; and (4) adopting new transition provisions under which the Secretary of HHS may, for FY 1982 only operate programs under the provisions of law in effect on September 30, 1981, if a State has made a determination not to operate such programs under the block grant under this subtitle. The transition provision also includes the requirement that any State which has determined to allow the Secretary to operate programs under the provisions of law in effect on September 30, 1981, shall notify the Secretary of this determination prior to the first quarter of FY 82, and at least 30 days prior to the beginning of any subsequent quarter in FY 82. If the Secretary is operating the State's program under the provisions of law in effect on September 30, 1981, he may not reserve more than 5 percent of that State's allotment for administration of the State's program. Finally, the transition provision authorizes the Director of

OMB to terminate the affairs of the Community Services Administration, and provides for transfer authority, effective upon enactment.

The conferees intend that, if a State so chooses, a State may notify the Secretary prior to the beginning of fiscal year 1982 that it does not intend to operate the block grant under this subtitle at any time during fiscal year 1982, and notification to that effect shall be sufficient notification to the Secretary for the purposes of the transition provisions.

The House bill extendes through fiscal year 1984 several statutes within the Education and Labor Committee's jurisdiction that are due to expire within the next three fiscal years.

The Senate bill contains no comparable provision.

The House recedes with respect to Parts C, D, E, and F of the Education of the Handicapped Act, the Rehabilitation Act of 1973, the Domestic Volunteer Services Act and the Older Americans Act, and the Senate recedes with respect to Title VII of the Economic Opportunity Act of 1964, with a technical amendment changing the reference to Title VII to Title VIII.

TITLE VII—LABOR AND EMPLOYMENT PROGRAMS

Comprehensive Employment and Training Act

Fiscal year 1981

The Senate amendment limits appropriations for Fiscal Year 1981. The House was not under reconciliation instructions for Fiscal Year 1981.

The Senate recedes.

Fiscal year 1982

COMPARISON OF AUTHORIZATION AMOUNTS

	House	Senate	Conference agreement
Overall total		$3,900,515,000	(1)
For parts A, B, and C of title II	$1,335,000,000	1,495,775,000	$1,430,775,000
For title III	213,000,000	219,015,000	219,015,000
For part A of title IV	600,000,000	406,200,000	576,200,000
For part B of title IV	607,000,000	628,263,000	628,263,000
For part C of title IV	865,000,000	766,100,000	766,100,000
For title VII	192,500,000	309,700,000	274,700,000
For expenses of CETA administration	(1)	75,462,000	75,462,000

[1] No provision.

The Senate amendment increased the percentage of Title IV A funds going to Prime Sponsors from the current 75 percent to 85 percent thus reducing Secretary's discretionary funds from 16 to 6 percent. The House bill had no comparable provision. The House recedes.

The Senate amendment provided for a 20-percent transferability of funds between the youth program under Title IV A and the summer youth program under Title IV C. The House bill had no comparable provision. The House recedes.

The Senate amendment provided that Youth Community Conservation and Improvement Program funds may at the Prime Sponsor's discretion be used for Youth Employment and Training Programs and any YCCIP funds reallocated by the Secretary may be used for YETP. The House bill had no comparable provision. The House recedes. The Conference agreement is intended to provide flexibility to the Prime Sponsor, but is not intended to discourage continued funding of successful YCCIP projects.

The Senate amendment increased the percentage of Title II B funds distributed to Prime Sponsors from 85 to 86.5 percent with a related reduction of funds going to the Governors (see below). The House bill had no comparable provision. The House recedes.

The Senate amendment provided that the 12 percent available for Governors programs (6 percent for Vocational Education, 1 percent for the Employment and Training Council, 1 percent for linkages and 4 percent for special services) be reduced to 10.5 percent with the Governor given discretion in how to allocate the cut. The House bill had no comparable provision. The House recedes.

The Senate amendment repealed the provision providing for mandatory $3-$5 million set-aside for National Occupational Information Coordinating Committee. The House bill had no comparable provision. The House recedes with an amendment that not more than $3 million of Title III funds may be transferred to the National Occupational Information Coordinating Committee.

The Senate amendment repealed provisions relating to advance funding, two years availability of appropriations, a two year period for expending funds and the 20 percent ceiling relationship between Title III and remaining CETA Titles. The House bill had no comparable provision. The House recedes with an amendment to restore the provision relating to advance funding.

Neither the House bill nor the Senate amendment provided a separate authorization for the National Commission for Employment Policy (Title V), although the House bill retains the open ended authorization for Title V in existing law. The National Commission has responsibility for examining broad issues of development, coordination, and administration of employment and training programs and for advising the President and the Congress on national employment and training issues. The Commission is currently funded from the overall appropriation for Title III of CETA. The Conference agreement provides a combined authorization for Titles III and V of $219,015,000 and supports continued funding for the National Commission for Employment Policy out of that amount.

The Conferees support consideration for funding national organizations under Title III. The Conferees recongize the statutory requirement for funding migrant and Indian programs under this Title and the commitment to meet expenses for unemployment compensation attributable to the elimination of public service employment programs. The Conferees anticipate that the Department of Labor will give careful consideration to continuted support of national and regional organizations previously funded under Title III. Included in these national and regional organizations are CBO's defined in section 3(4) and other national and regional organizations.

The House bill authorized $600,000,000 for Title IV-A; the Senate amendment authorized $406,200,000 for Title IV-A. The Senate re-

cedes with an amendment to authorize $576,200,000 for this Part and an amendment to delete the maintenance of effort requirement for serving youth under Title II ABC.

The House bill authorized $192,500,000 for Title VII; the Senate amendment authorized $309,700,000 for this Title. The Senate recedes with an amendment to authorize $274,700,000 and a further amendment to delete the ten percent setaside to promote coordination with economic development activities and increase the amount distributed by formula to prime sponsors from 85% to 95% of the Title VII appropriation. Economic development activities will remain an eligible activity under Title VII and the Conferees want to make plain that this amendment is not in any way intended to suggest a lesser priority for such activities. The reason for the amendment to increase the percentage of funds going by formula to prime sponsors and eliminate the set-aside was to prevent adverse effect on previously planned activities that might otherwise result from the reduction in new budget authority for the Title VII program.

The Conferees recognize that the amendments to CETA contained in the Conference agreement will require some change in the Labor Department regulations or instructions which can obviously not be issued by May 15, as ordinarily required by Section 104(e) of the Act. As these new regulations will relieve the Prime Sponsors from restrictions, the Conferees believe the intent of that section will be met if the revised instructions are issued as promptly as possible.

The Conferees recognize that certain legislative changes made in this Conference Report will require amendments to the Department of Labor's regulations which can obviously not be made by May 15, as ordinarily required by section 104(e)(2). These changes include the provisions relating to Governors' grants, the elimination of the maintenance of effort provisions, and the transferability provisions affecting youth programs. As these provisions are intended to be applicable to FY 1982 funds, prime sponsors and Governors will need immediate information if they are to plan their programs in accordance with these amendments. Accordingly, the Conferees expect the Department of Labor to publish promptly notice of these changes and then engage in expedited rule-making procedures to ensure that final rules are in place by October 1. The Conferees also expect the Department to give early and favorable attention to plan modifications that may be required because Governors and prime sponsors were not able to take advantage of these amendments in developing the plans that are due to be submitted to the Department of Labor by September 1. The Conferees also reiterate the need for the Department to publish the Title IV–C allocations at the same time as the Title IV–A allocations in order to enable prime sponsors to take advantage of the transferability provisions.

Fiscal years 1983 and 1984

The Senate amendment did not reauthorize CETA beyond its current authorization date. The House bill reauthorized for 2 additional years.

The House recedes with an amendment to provide a one-year extension of the provisions of the Act applicable in fiscal year 1982 in

the event that neither the House nor the Senate has passed new legislation either amending or replacing the Comprehensive Employment and Training Act by September 10, 1982. The Conferees are committed to moving new legislation by the end of FY 1982 and note that the Conference agreement does not automatically reauthorize CETA for 1983. The Conference agreement is intended to assure program continuity if neither the House nor the Senate has completed action by the September deadline.

The House bill provided, for fiscal years 1983 and 1984, that funds under Title II-B may be used for programs previously funded under Title IV-A and IV-C and provided no funding for such titles. The Senate had no comparable provision.

The House recedes.

Wagner-Peyser Act

The Senate amendment limited the amount that the Secretary of Labor may certify as necessary for the administration of the Employment Service to $607.8 million for fiscal year 1982 through fiscal year 1984. The House bill had no provision relating to Wagner-Peyser.

The House recedes with an amendment to limit the amount which the Secretary may certify for administration of the Employment Service to $677,800,000 in fiscal year 1982 only, and further amends this provision to specify that the term "proper and efficient administration of its public employment offices" shall mean only such functions as are necessary to carry out the provisions of the Wagner-Peyser Act and shall not include functions authorized under the Internal Revenue Code, the Immigration and Nationality Act of Chapter 41 of Title 38 of the U.S.C.

The Conferees do not intend to diminish support for serving veterans under the Disabled Veterans Outreach Program authorized under Chapter 41 of Title 38 but rather to ensure that the program is funded under the appropriate authorization.

Youth Conservation Corps Act of 1970

The House bill provided that no funds are authorized to be appropriated for the Youth Conservation Corps (Y.C.C.) for FY 1982, 1983, or 1984. The Senate amendment contained no comparable provision. The Senate recedes with an amendment which prohibits appropriations for Y.C.C. for FY 1982, 1983 or 1984.

The language of the Conference Report does not repeal the Y.C.C. Authority for the activities of the Y.C.C. continues for the period covered by the provision provided that funding for such activities is derived from other sources.

FEDERAL EMPLOYEES' COMPENSATION

Sections 5391 through 5398, Subchapter C, Subtitle C of Title V of the House bill significantly amends the Federal Employees' Compensation Act, as amended (5 U.S.C., Chapter 81). The Senate amendment contains no provision.

The House recedes.

TITLE VIII—SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

(1) School lunch—general assistance (section 4) reimbursement rates

The House bill establishes two different rates for general assistance reimbursements. The rate for "paid" lunches is set at 8.0407 cents for each such lunch. For "free and reduced-price" lunches the rate is set at 16.0815 cents for each such lunch. These rates are to be adjusted each July 1, beginning July 1, 1981.

The Senate amendment sets the general assistance reimbursement rate at 8.8315 cents for all lunches. This rate is to be adjusted each July 1 beginning July 1, 1981. An additional 2 cents is provided for lunches served in school districts where 60 percent or more of the lunches are served free or at reduced price.

The Conference substitute adopts the Senate provision with an amendment setting the general assistance rate at 10.5¢ for lunches served in school districts where less than 60 percent of the lunches are served free or at reduced price and 2¢ more for lunches served in school districts where more than 60 percent of the lunches are served free or at reduced price. These rates are to be adjusted each July 1 beginning July 1, 1982.

(2) School lunch—special assistance (section 11) reimbursement rates

The House bill maintains the same rate as current law (83.6165 cents) for free lunches and lowers the reduced-price rate to 40 cents less than the free rate (instead of 20 cents less than the free rate as under current law). The rates are adjusted each July 1, beginning July 1, 1981.

The Senate amendment increases the rate for free lunches to 89.1165 cents per lunch, and sets the reduced-price rate at 40 cents less than the free rate. The rates are also adjusted each July 1 beginning July 1, 1981.

The Conference substitute adopts the Senate provision with an amendment establishing a rate of 98.75¢ for free meals and setting the reduced price at 40¢ less than the free rate. These rates are to be adjusted each July 1 beginning July 1, 1982.

(3) School breakfast program

(A) The House bill establishes three distinct reimbursement rates for paid, free, and reduced-price breakfasts. The paid rate is set at 7.5 cents per breakfast; the free rate is set at 52.027 cents; and the reduced-price rate is set at 25.9 cents per breakfast. Rates are adjusted each July 1, beginning July 1, 1981.

The Senate amendment sets the free rate at the same rate as the House bill, but sets the reduced price rate at one-half the free rate, and sets the paid rate at 7.4325 cents. The rates are adjusted each July 1 beginning July 1, 1981.

The Conference substitute adopts the Senate provision with an amendment that sets the reduced-price breakfast rate at half the free rate or 30¢ less than the free rate whichever is greater and provides that the price charged for a reduced-price breakfast not exceed 30¢.

(B) The House bill changes eligibility for receipt of "severe need" assistance to include only those schools required by State law to operate a breakfast program and those in which during the second

preceding school year, a minimum of 40 percent of lunches were served free or at reduced price, and for which the average rate is insufficient to cover costs.

The Senate amendment is similar to the House bill except that it does not provide severe need eligibility to schools required to operate school breakfast programs by State law.

The Conference substitute adopts the Senate provision with an amendment allowing schools with State mandated programs to continue receiving severe need assistance until July 1, 1983, if the State legislature meets annually, or July 1, 1984, if the legislature meets biennially.

(C) The House bill deletes a provision under which severe need schools are entitled to receive 100 percent of the operating costs of their breakfast programs or the maximum payment rate for such schools whichever is less.

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

(4) Commodity assistance

(a) The House bill sets separate rates for commodity assistance for free and reduced price lunches and for paid lunches. The rate for free and reduced price lunches is set at a cash value of 13.54 cents per lunch, and for paid lunches at a cash value of 7.23 cents per lunch. These rates are annually adjusted each July 1, beginning July 1, 1981.

The Senate amendment sets the cash value of commodity assistance for all lunches at 11.29 cents per lunch. This value is also adjusted each July 1 beginning July 1, 1981.

The Conference substitute adopts the Senate provision with an amendment setting the commodity rate at 11¢ for all lunches. This rate is to be adjusted each July 1, beginning July 1, 1982.

(5) Application forms for free and reduced price lunches

The House bill requires that application forms and descriptive material be made available in a timely manner to parents of children attending schools.

The Senate amendment requires that application forms and descriptive material be distributed to parents of children attending schools.

The Conference substitute adopts the Senate provision.

The conferees do not intend that local school food authorities be required to mail free and reduced price application forms when distributing these forms to parents of children attending schools.

(6) Verification of eligibility

The House bill requires local school food authorities to undertake verification of application information as prescribed by the Secretary by regulation.

The Senate amendment requires State and local school food authorities to undertake verification of such information on the application as the Secretary may prescribe. The Senate amendment also specifically permits the Secretary, State, and local school authorities to seek verification of application information.

The Conference substitute adopts the Senate provisions with an amendment deleting the requirement that State undertake verifi-

cation of applicant information. It is the intent of the conferees that the States share with the local school food authorities any relevant data that would assist the local authorities in verifying application information.

(7) Income reporting period

(A) The House bill requires that determination of eligibility for free and reduced-price meals be based on the applicant's estimate of the annual household income for the school year for which the application is submitted.

The Senate amendment requires that determination of eligibility for free or reduced-price meals be based on annual household income at the time of application.

The Conference substitute adopts the Senate provision.

It is the intent of the conferees that the current law provision be continued which allows families to reapply for free and reduced-price meals during a school year if the family income changes due to unemployment.

(B) The House bill retains current law provision in both sections 9(b)(1) and 9(b)(2) of the National School Lunch Act relating to prohibitions on overt identification of children participating in the free and reduced-price school lunch program.

The Senate amendment retains this provision only in section 9(b)(2) of the National School Lunch Act.

The Conference substitute adopts the House provision.

(8) Documentation of eligibility

As a condition of eligibility for free and reduced-price meals, the House bill requires the Secretary to require that documentation of household income be provided to the appropriate local school food authority. Such documentation may include pay stubs, documentation of public assistance status, unemployment insurance documents and written statements from employers.

The Senate amendment is similar except that it sets as a condition of eligibility, appropriate documentation of income as prescribed by the Secretary without specifying what documentation may be required by the Secretary.

The Conference substitute adopts the Senate provision.

It should be noted that the conferees also wrote into the National School Lunch Act the requirement now contained in section 624 of the Economic Opportunity Act for adjustment of the Office of Management and Budget poverty guidelines. These guidelines are used as the base for setting income eligibility guidelines for free and reduced-price lunches. Since both the House bill and the Senate amendment repeal title VI of the Economic Opportunity Act, which includes section 624, the conferees believe that writing the requirements and procedures of section 624 into the National School Lunch Act would be the best way to preserve the current adjustment method.

(9) Verification pilot study

The Senate amendment requires the Secretary to conduct a pilot study to verify data on a sample of applications. Households may be required to provide social security numbers of all household members, and other information the Secretary may require includ-

ing pay stubs, documentation of participation in public assistance programs, unemployment insurance documents, and written statements from employers.

The house bill has no comparable provision.

The Conference substitute adopts the Senate provision.

(10) Matching requirements

(A) The House bill requires that each year State matching revenues are to represent at least 30 percent of the section 4 funds made available to the State in the preceding school year.

The Senate amendment also requires State revenue matching set at 30 percent of section of 4 funds, however this percent is permanently tied to the amount of section 4 funds made available to the State in the school year beginning July 1, 1980.

The Conference substitute adopts the Senate provision.

(B) The House bill eliminates the current law provision which requires, to the extent the State deems practicable, that State revenues used in meeting the matching requirements, be disbursed to schools in the same proportion that the State distributes Federal funds to such schools for the school lunch, school breakfast, and food service equipment assistance programs.

The Senate amendment requires that to the extent the State deems practicable, the State matching revenues be disbursed to schools participating in the school lunch program.

The Conference substiturte adopts the Senate provision.

The conferees wish to clarify that their intent is to give the States the discretionary authority to target State matching funds to schools in greater need.

(11) Nutrition education and training

The House bill authorizes appropriations not exceeding $2.5 million for the Nutrition Education and Training Program for fiscal year 1982, and subsequent years.

The Senate amendment authorizes appropriations not exceeding $10 million for fiscal year 1981, and subsequent years.

The Conference substitute adopts the House provision with an amendment authorizing appropriations of $5 million for fiscal year 1982 and subsequent years through fiscal year 1984.

(12) Limitation on private school participation

The House bill excludes from the definition of "school" in both the National School Lunch Act and the Child Nutrition Act of 1966 those private schools whose average yearly tuition exceeds $1,500 per child.

The Senate amendment is the same except that it does not specify "average" yearly tuition.

The Conference substitute adopts the House provision.

It is not the intent of the conferees to disqualify from participating in the school lunch program certain schools that receive funds from public authorities for the cost of educating handicapped and other special needs children. Accordingly, it is the intent of the conferees that the Department of Agriculture define the word "tuition" in its regulations so that it does not include any moneys paid for educating handicapped and other special needs children by State, county or local authorities to private schools, when such

schools are operated principally for the purpose of educating handicapped or other children for whose education the State or local government is primarily or solely responsible.

In addition, in establishing the limitation based on "average" tuition it is not the intent of the conferees to eliminate private schools with standard tuitions over $1,500 if such schools have a high percentage of students who are receiving some form of scholarship aid. In such a case the scholarship aid should be eliminated in the calculation of average tuition. There are also schools that have sliding tuition scales for multiple-family members in attendance. The first child normally pays full tuition while the second and third child receive a rateably reduced rate. There are other schools which charge higher tuition for students in high school grades than for those in the elementary grades. In the case of these schools the tuition would be averaged in determining whether the $1,500 limitation has been exceeded.

(13) Summer food service program

The House bill limits sponsorship of summer food service programs to public or private nonprofit school food authorities, local, municipal or county governments, and residential nonprofit summer camps. Programs sponsored by local, municipal, or county governments must be operated directly by these local entities.

The Senate amendment terminates authority for this program after fiscal year 1982, and permits operation of programs during fiscal year 1982 only if sponsored by school food service authorities in areas where at least 50 percent of the children meet the income eligibility criteria for free and reduced-price school lunches.

The Conference substitute adopts the House provision with an amendment restricting the summer program to areas where at leat 50 percent of the children meet the income eligibility criteria for free and reduced-price lunches.

(14) Child care food programs

(A) The House bill limits Federal meal reimbursements in outside school hour day care programs to children 12 years of age or younger except for handicapped children and children of migrant workers.

The Senate amendment limits Federal meal reimbursements for all child care food programs to children years 12 years of age or younger except for handicapped children.

The Conference substitute adopts the Senate provision with an amendment exempting migrant children 15 years of age or younger from the age 12 limit.

(B) The House bill eliminates participation by family or group day care homes in which less than one-third of the children are from families with income at or below 185 percent of the OMB poverty guidelines.

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

(C) The House bill lowers the reimbursement rates for supplements to 2.5 cents for paid; 27.5 cents for free and one-half the free rate for reduced-price supplements. These rates are to be adjusted each July 1, beginning July 1, 1981.

The Senate amendment sets the same reimbursement rates as the House bill for free and reduced-price supplements, but eliminates Federal reimbursements for paid supplements. The payment rate for free supplements is to be adjusted beginning July 1, 1981.

The Conference substitute adopts the House provision.

(D) The House bill eliminates Federal reimbursements for meals and supplements served to children of family day care providers whose annual income exceeds 185 percent of the OMB poverty guidelines.

The Senate amendment is similar except that it extends this prohibition to children of a person acting as a group day care home provider, but does not prohibit Federal reimbursements for supplements.

The Conference substitute adopts the House provision with an amendment to include group homes with family day care homes.

(E) The House bill strikes the provision in current law which provides that no institution, other than those providing child care to school children outside school hours, may be prohibited from serving breakfast, lunch, supper, and supplements to any eligible child each day.

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision.

(F) The Senate amendment lowers family, and group day care meal reimbursements by 10 percent, and lowers the reimbursement for administrative expenses by 10 percent while increasing the economy of scale factor used to distinguish institutions that sponsor a large number of homes from those that sponsor a smaller number of homes.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision.

(G) The Senate amendment eliminates eligibility for sponsorship of child care food programs by private for-profit organizations that receive funds under title XX of the Social Security Act.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make eligible only those for-profit institutions which receive compensation under title XX for at least 25 percent of the children for which the institution provides care.

(15) Revision of special supplemental food program (WIC)

The House bill changes the WIC authorization from such sums as may be necessary through fiscal year 1984 to an authorization of $1.037 billion for each of fiscal years 1982 through 1984.

The Senate amendment also caps the WIC authorization level, but at $998 million in fiscal year 1982, $1,060 billion in fiscal year 1983 and $1.126 billion in fiscal year 1984.

The Conference substitute adopts the Senate provision with an amendment increasing the authorization level for fiscal year 1982 to $1.017 billion.

(16) Regulatory changes in nutrition and other requirements

The House bill instructs the Secretary to review regulations governing programs under the National School Lunch Act and the Child Nutrition Act of 1966, for the purpose of determining ways in which to accomplish cost savings at the local level without impair-

ing the nutritional value of meals. The House bill also directs the Secretary to promulgate changes in regulations on the basis of such review within 90 days of enactment in order to effectuate such savings.

The Senate amendment is comparable except that the provision is an amendment to section 10 of the Child Nutrition Act of 1966 and there is no specific instruction to review regulations.

The Conference substitute adopts the House provision.

It is the intent of the conferees that, before the Secretary changes current meal pattern requirements, he shall exhaust all alternatives for lowering local program costs. Further, any proposed change must have a demonstrated local fiscal impact and a sound nutritional basis. The conferees understand that the phrase "without impairing the nutritional value of meals" should not be interpreted as requiring one-third RDA for every meal provided.

(17) State plan requirements

The House bill eliminates the current requirement that each State educational agency must provide to the Secretary each year, a State plan outlining for the following school year: (a) the use of funds, (b) the expansion of the school lunch programs to all schools, and (c) the use of summer food program funds and school breakfast funds to reach needy children.

The Senate amendment in addition to the elimination of these requirements, also eliminates the requirement that schools and State educational agencies report the average number of children participating in the free and reduced-price school lunch program. It also eliminates the requirement that school and State educational agencies make estimates as of October 1 and March 1 of each year of the number of children eligible for free or reduced-price meals.

The Conference substitute adopts the Senate provision with an amendment retaining the current requirement that schools and State education agencies report each month the average number of children receiving free and reduced-price meals.

(18) Limitations on the Secretary's authority to directly administer programs

The Senate amendment prohibits the Secretary from directly administering any school lunch, breakfast, child care food or special milk programs unless such program has been administered by the Secretary continuously since October 1, 1980. The Senate amendment also explicitly permits States to assume administration of programs the Secretary is directly administering.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment authorizing the Secretary to directly administer a program in a nonpublic school if that nonpublic school is in a State where the State education agency is prohibited by State law from administering the program.

(19) Offered vs. served

The Senate amendment extends to all grade levels, when approved by local school districts or nonprofit private schools, the option for children not to accept foods they do not intend to consume.

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The House bill has no comparable provision.
The Conference substitute adopts the Senate provision.

(20) Commodity only schools

The Senate amendment expands commodity assistance and offers cash assistance to commodity-only schools. Commodity-only schools are to be defined as schools that do not participate in the school lunch program, but receive commodities made available by the Secretary for use in a nonprofit school lunch program. These schools would be eligible to receive donated commodities in an amount equal in value to the national average commodity assistance rate and general (section 4) reimbursement rates for each school lunch. In addition they would be eligible to receive up to 5 cents of this amount per meal in cash for the costs of processing and handling commodities. Commodity only schools would also be eligible to receive special assistance cash payments for free and reduced-price lunches. Lunches served in commodity only schools must meet the same nutritional requirements established for the school lunch program. Such schools may not participate in the special milk program.

The House bill has no comparable provision.
The Conference substitute adopts the Senate provision.

(21) State administrative expenses

The Senate amendment changes the minimum State administrative expense funds which must be allocated to each State to the larger of $100,000 or the amount made available to the State in fiscal year 1981, instead of the larger of $100,000 or the amount made available in fiscal year 1978. It also allows State Administrative Expense Funds made available in one year to be obligated or expended in the next year provided that the Secretary receives a plan for the disbursement of these funds. The Secretary is to reallocate unused funds to other States.

The House bill has no comparable provision.
The Conference substitute adopts the Senate provision.

(22) Claims adjustment authority

The Senate amendment gives the Secretary power to determine, adjust and settle claims and to compromise or deny all, or part of claims arising under the National School Lunch Act and the Child Nutrition Act of 1966. It further specifies that this authority will not diminish the authority of the Attorney General.

The House bill has no comparable provision.
The Conference substitute adopts the Senate provision.

(23) Miscellaneous and conforming amendments

(A) The Senate amendment deletes or makes several changes, not included in the House bill, in provisions of current law relating to cost accounting requirements. These include:

(1) Deletion of provisions which prohibit any requirement for schools to account separately for the costs incurred in school lunch and breakfast programs and which specify that reimbursement may not exceed the net cost of operating both together.

The Conference substitute adopts the Senate provision with an amendment continuing the prohibition against any requirement for schools to account separately for the school lunch and breakfast programs.

(2) Deletion of reference to "financing the cost of" meals under the National School Lunch Act and the Child Nutrition Act of 1966.

The Conference substitute adopts the Senate provision.

(3) Deletion of a sentence specifying that food costs may include, in addition to the purchase price of agricultural commodities and other foods, the cost of processing, transporting, storing, or handling such foods and commodities.

The Conference substitute deletes the Senate provision.

(4) Replacement of the term "Federal food-cost contribution rate" with the "per meal reimbursement rate" in setting the maximum amount of funds disbursed to schools for school lunches.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision.

(B) The Senate amendment changes current law to require that the National Advisory Council on Child Nutrition's reports be submitted to Congress every other year instead of annually.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision.

(C) The Senate amendment makes conforming amendments in cross references to the Older Americans Act and requires that the Secretary of Health and Human Services reimburse the Secretary for commodity purchases made for the elderly feeding program under title III of the Older Americans Act.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting the requirement for reimbursement by the Secretary of Health and Human Services.

(D) The Senate amendment strikes all reference with regard to the summer food service program in provisions of the National School Lunch Act and the Child Nutrition Act of 1966.

The House bill has no comparable provision.

The Conference substitute deletes the Senate provision.

(E) the Senate amendment strikes all reference to food service equipment assistance in the provisions of the National School Lunch Act and the Child Nutrition Act of 1966.

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision.

Effective Dates

The House bill specifies that all provisions are to take effect August 15, 1981.

(A) Under the Senate amendment, the following are made effective September 1, 1981 or the first day of the month following enactment:

(1) Changes in reimbursement rates (except for child care food program reimbursements other than supplements);

(2) Elimination of for-profit child care sponsors;

(3) The meal limit in the child care food program;

(4) Reduction in reimbursement for Family day care centers;

(5) Maximum price charge for reduced price meals.

(B) The following are made effective July 1, 1981:

(1) Reduction in commodity assistance;

(2) Revision of income elgibility criteria;

(3) Revision of matching requirement.

(C) The following provisions are made effective July 1, 1981 or the first day of the second month following enactment:

(1) Revision of Special Milk Program;

(2) Limitation on private school participation.

(D) The following are made effective October 1, 1981:

(1) Termination of Food Service Equipment Assistance;

(2) Change in Summer Food Service Program;

(3) Repealing food service equipment assistance and State plan requirement for child care food program;

(4) Limitation on Secretary's authority to directly administer programs;

(5) Elimination of State plan requirements;

(6) Changes in State Administrative expenses;

(7) Reduction in Nutrition Education Training authorizations;

(8) Conforming and miscellaneous amendment.

(E) Changes in commodity ———————— only school reimbursements become effective 90 days after enactment.

(F) The limitation of the child care food program to children under 12 will become effective the first day of the second month following enactment.

(G) The revisions in child care food program reimbursements are effective January 1, 1982 except those provisions reducing supplement reimbursements which are effective Septembr 1, 1981, or the first day of the month following enactment.

(H) The changes in the WIC authorization and the Secretary's claims adjustment authority are to be effective on the date of enactment.

(I) Conforming changes are also made in P.L. 96-499, the Omnibus Reconciliation Act of 1980.

(J) Regulations implementing amendments in this Act are to be issued no later than 60 days after enactment.

The Conference substitute adopts the Senate provision with an amendment making the effective date of the provision relating to for-profit child care sponsors October 1, 1981, and both the revision of the income eligibility criteria and the provision changing the maximum price for reduced-price meals effective upon date of enactment.

NATIONAL HEALTH SERVICE CORPS

House bill

The bill would extend and revise the National Health Service Corps and the National Health Service Corps Scholarship programs through FY 1984. The bill authorizes appropriations of $110 million for FY 1982, $120 million for FY 1983, and $130 million for FY 1984 for the National Health Service Corps; and $55 million for FY 1982, $50 million for FY 1983, and $55 million for FY 1984 for the National Health Service Corps scholarship program to provide au-

thorizations for existing scholarships in addition to 1,000 new scholarships.

The bill would amend the authorities for both the NHSC field and scholarship program. Among other things, it authorizes the Secretary to assign members of the National Health Service Corps to private nonprofit and public organizations as employees of those organizations, rather than as Federal employees, and to make grants to those organizations to assist them in meeting the salary requirements of a National Health Service Corps member. The bill would expand the number of health manpower shortage areas in which a National Health Service Corps scholarship recipient can enter into the private practice of his or her profession to fulfill service obligations. The bill would also provide for the establishment of a National Health Service Corps revolving fund to receive deposits under the current cost-sharing provisions and repayments of scholarships, which would be used to carry out future program operations.

Senate amendment

While the Senate bill S. 1377 did not contain specific authorization for the National Health Service Corps, it assumed passage of S. 801.

S. 801 would extend and revise the National Health Service Corps and the National Health Corps Scholarship program through 1984. This bill authorized appropriations of $99 million for FY 1982, $110 million for FY 1983, and $120 million for FY 1984 for the National Health Service Corps; and such sums as necessary for existing scholarships with no new scholarships available in FY 82, FY 83 and FY 84.

The bill had several major provisions which included redesignation of the health manpower shortage areas; conversion at the Secretary discretion of scholarships to loans in order to reduce the anticipated surplus of physicians; a revision of the private practice option; and more flexibility for the Secretary in dealing with excess supply of Corps obligees.

Conference agreement

The major features of the Conference agreement are:

(1) an authorization level for the NHSC scholarship program to provide for continuation awards and 550 new awards in FY 1982, 1983 and 1984.

(2) revision of the program's private practice options to make them more attractive and to provide a partial subsidy for individuals choosing to set up their own practice.

The Conference bill would reduce the size of the Corps in the future by reducing the number of new scholarship awards from 1,700 in 1980 to 550 for the next three years.

The Conferees requested a study be completed no later than 11/30/82 of the current health manpower shortage area designation process to consider the use of indicators of unmet demand for health services and the likelihood that such demand would be met within 2 years. The conferees intend that in designating a population group as a "medically underserved population" that only those persons who would have reasonable access to a N.H.S.C. provider be included in the designated group.

The Conferees emphasize that one goal of the Corps is to place individuals in underserved areas who will remain in private practice after that Corps obligation is completed. This is admittedly a difficult objective when Corps placements are in fact made to needy communities, but the Conferees intend that this philosophy be emphasized whenever possible.

The Conferees are concerned that the current cost sharing provisions of the NHSC work to the detriment of some sites with NHSC assignees. In order to spread the costs of an assignee across all sites, it is the Conferees intent that sites reimburse the Federal government in a manner prescribed by the Secretary for the average costs associated with an assignee including the cost of the NHSC scholarship.

In an effort to strengthen the private practice option, the conference substitute allows the Secretary more flexibility in encouraging individuals to serve, at their financial risk, in underserved areas during their obligated period. It is the Conferees' intent that since individuals serving under the private practice options are furthering the mission of the NHSC, that they be considered members of the NHSC although appropriated funds will not be required to pay their salaries.

The Conferees are aware that, to some extent, the success of the private practice options depends on easing the placement strategy of serving priority one and two HMSA's. As long as the emphasis for placing the salaried members of NHSC remains on these priority areas, it is acceptable to the Conferees that a more broad-based range of HMSA's receive individuals under the private practice option. A new provision under the private practice option allows the Secretary to pay the malpractice insurance and a partial income supplement to individuals who choose this option. Such payments are still a considerable savings over having these individuals serve on the Federal payroll. The private practice option also provides greater incentives for service-obligated individuals to develop good relationships with the community they serve and to stay in that community for longer periods of time.

Finally, the Committee is concerned that the NHSC take into account the increasing number of health care providers. Re-evaluating the HMSA designation process and requiring careful targeting of NHSC placements will minimize this problem, as will increased use of the private practice option. In addition the agreement directs NHSC health care services to be provided "in a manner which is cooperative with other health care providers serving health manpower shortage areas."

PRIMARY CARE BLOCK GRANT

The Primary Care Block Grant is established in the following manner. In FY 82, the Secretary would continue to administer the Community Health Center (CHC) program in all States; but States could apply for a grant to plan for assuming these administrative and health services delivery responsibilities. In FY 83 and FY 84, States could apply to the Secretary for an allotment of CHC funds. If the Secretary approves the application, then the States would assume the responsibilities of making grants to CHCs which meet the requirements of section 330. In FY 83, any State with an allot-

ment would be required to fund every CHC which was funded during FY 82 unless a center failed to apply for funds or the State determined that a center did not comply with the requirements of section 330 under which the center was funded in FY 82. The Secretary would review any such State determination and would have to approve it before the State could terminate or reduce funds to the center.

During FY 83 and 84, the Secretary would continue to administer the CHC program in any State which did not apply to obtain approval for State administration of the program.

The purpose of the application process is to assure that States are capable of administering the CHC program since States have not previously been involved in the program. The conferees expect the Secretary to assure himself that States are able to assume all responsibilities of administering the grant program.

In order to be eligible for an allotment, a State would have to match the Federal funds with State funds and in-kind services and supplies. In FY 83 the match is 20% and in FY 84 it is 33⅓%. No Federal funds could be used for State administrative costs, but the State could use its funds or count State personnel and supplies, for instance, as part of its match. If a State counts such State personnel, there must be a fair appraisal of the time they commit to the CHC program. Those State funds not used for State administrative expenses would be available for making grants for services in new CHCs in the State or for increased funding in existing CHCs.

In FY 84 States could use all Federal and State funds (except those State funds for administration) for awarding grants for CHCs. If a State decided to discontinue receiving an allotment, the Secretary would again assume responsbility for administering the program.

In making grants in FY 83 and 84, the States would be required to continue services to those medically underserved populations which are now served by CHCs. If possible, the State should not disrupt the provider-patient relationship established under the section 330 CHC program.

All CHCs funded under either the federally run program (under 330) or a State program would meet all definitions and requirements of section 330.

States are also required to establish the fiscal control and fund accounting procedures necesary to assure the proper disbursal of an accounting for Federal funds received under the block grants and to prepare, at least once a year, an independent audit of funds receive. In so far as practical, this audit should be done in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. In addition, the Comptroller General is required to evaluate, from time to time, the expenditure by States of funds received, in order to assure that they are consistent with the provisions and requirements of the block grants.

The bill also provides for withholding power for the Secretary. The Conferees intend that this authority be used by the Secretary to ensure that all expenditure by States and entities receiving funds from States are directed to the intended beneficiaries of the services programs and in accordance with the requirements of the part and certifications provided by the State. The Secretary could

do so, however, only after adequate notice and an opportunity for a hearing conducted within the State and after the Secretary has conducted an investigation.

AGE DISCRIMINATION AMENDMENT

Conference Agreement

Conferees agreed to H.R. 3831 with Senate amendments. The present law restricts any individual over the age of 64 from being appointed Surgeon General of the United States Public Health Service Corps. This bill removes this arbitrary age restriction and specifies that the nominee have significant experience and specialized training in public health programs.

The post of Surgeon General is filled by presidential appointment subject to confirmation by the United States Senate. It is not the intention of this amendment to limit the responsibility of the Senate to determine the qualifications of the nominee.

BLACK LUNG CLINICS

Senate Bill

The Senate bill proposed to repeal the authority for the black lung clinics contained in Section 427(a) of the Federal Mine Safety and Health Act of 1977 and to include this program in its health services block grant.

House Bill

No comparable provision.

Conference Agreement

The conference agreement does not repeal the black lung clinic authority and does not include it in a block grant.

MATERNAL AND CHILD HEALTH BLOCK GRANT

1. Authorization of Appropriations

(a) House bill.—The House bill provides for the consolidation of the following programs into a block grant to the States under Title V of the Social Security Act: Maternal and Child Health (MCH) and Crippled Children's (CC) Services; Supplemental Security Income for Disabled Children; Lead-based Paint Poisoning Prevention; Sudden Infant Death Syndrome; Hemophilia Treatment Centers; and Adolescent Pregnancy.

Senate amendment.—Similar provision, except does include Genetic Diseases programs in the MCH block grant but does not include Adolescent Pregnancy under the MCH block grant.

Conference agreement.—The conference agreement includes the Senate provision with modification to include the adolescent pregnancy program.

(b) House bill.—The House bill authorizes an appropriation of $394,000,000 in fiscal year 1982 for the MCH block grant.

Senate amendment.—The Senate amendment authorizes an appropriation of $334,500,000 in fiscal year 1982 for the MCH block grant.

Conference agreement.—The conference agreement provides for an authorization of $373,000,000 for fiscal year 1982 for the MCH block grant.

(c) House bill.—The House bill authorizes increases in appropriations for the MCH block grant for fiscal year 1983 and each fiscal year thereafter by a percentage equal to one-half of the percentage increase in the Consumer Price Index.

Senate bill.—The Senate bill authorizes an appropriations of $334,500,000 in fiscal year 1983 and each fiscal year thereafter.

Conference agreement.—The conference agreement includes the Senate provision with modification to authorize appropriations of $373,000,000 for fiscal year 1983 and each fiscal year thereafter.

2. Allotments to States and Federal Set-Aside

(a) House bill.—The House bill requires the Secretary to use 15 percent of the amounts appropriated for the MCH block grant each fiscal year for special projects of regional or national significance, for research, for training, and for the continuation of funding of grants to (1) public or nonprofit private institutions of higher learning for training personnel, (2) multi-State regional resource centers for handicapped children, and (3) hemophilia diagnostic and treatment centers.

Senate amendment.—The Senate amendment includes a similar provision, except requires that in fiscal year 1982 the Secretary retain 10 percent of the amount appropriated, and in fiscal year 1983 and fiscal year 1984 an amount not to exceed 10 percent for special projects, training, and research.

Conference agreement.—The conference agreement follows the Senate provision with modifications to (1) provide for a 15 percent set aside in fiscal year 1982, and up to 15 percent but not less than 10 percent in fiscal years thereafter; and (2) include the funding of voluntary genetic disease testing, counseling, and information development and dissemination programs, and comprehensive hemophilia diagnostic and treatment centers within the purposes of the set-aside. The conferees intend that, in administering this section, the Secretary give special consideration to the continuation of existing genetic disease and hemophilia programs. The conferees further intend that, if they so choose, States may fund genetic disease programs from their allotments.

(b) House bill.—The House bill provides for allocation of the remainder of each fiscal year's total MCH block grant appropriation among States on the basis of each State's relative share of the fiscal year 1980 expenditures under the programs consolidated into the block grant.

Senate amendment.—The Senate amendment includes a similar provision, except that the allotment would be based on each State's relative share of fiscal year 1981 expenditures under the programs consolidated into the block grant.

Conference agreement.—The House recedes.

(c) House bill.—The House bill provides that, if the amount available for allotment to the States in any fiscal year exceeds the total amounts expended under the consolidated programs in fiscal

year 1980, the excess would be based upon each State's relative share of low-income children in all the States.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision with modification providing that the allocation of excess funds shall be applied in fiscal year 1984 and fiscal years thereafter, and that this excess refers to the amount exceeding the funds available for allotment in fiscal year 1983.

(d) House bill.—The House bill provides that if any States do not qualify for allotments, do not request full allotment, or are subject to offset of amounts determined by audits to have been improperly spent, the excess amounts are to be distributed among the remaining States.

Senate amendment.—No provision.

Conference agreement.—The Senate recedes.

(e) House bill.—The House bill requires the Secretary, in consultation with the Comptroller General, to study and report to Congress by January 1, 1983, on equitable allotment formulas which take into account the State population, number of live births, number of handicapped children, number of low income mothers and children, and State financial resources.

Senate amendment.—The Senate amendment requires the Secretary to devise a formula for equitable distribution of funds among the States and to report to Congress with recommendations by September 30, 1982.

Conference agreement.—The conference agreement includes the House provision with modifications to (1) change the effective date to June 30, 1982, and (2) include consideration of "other factors" deemed appropriate by the Secretary in devising an equitable formula.

3. Payments to States

(a) House bill.—The House bill requires the Secretary to make payments as provided by section 203 of the Intergovernmental Cooperation Act to the State health agency of each State.

Senate amendment.—Similar provison, except requires that payment be made to each State.

Conference agreement.—The House recedes.

(b) House bill.—The House bill limits Federal allotments to one-half of the total amount spent each quarter by a State for purposes of the block grant.

Senate amendment.—The Senate amendment requires that the amounts of State funds spent by a State for the purposes of the block grant bear a certain ratio to its Federal allotment. This ratio is determined by dividing the amount a State was required to spend in fiscal year 1981 under Title V by the amount of Federal funds received by the State under Title V and the other consolidated programs that year. The Secretary is required to reduce the amount allotted to a State where necessary to assure that this ratio is achieved.

Conference agreement.—The conference agreement follows the House provision with a modification to require expenditure of three State dollars for each four Federal dollars received through the block.

4. Use of Allotment Funds

(a) House bill.—The House bill requires States to pass one-third of their block grant allotments through to counties and municipalities.

Senate amendment.—No provision.

Conference agreement.—The House recedes. In adopting the Senate amendment, the conferees seek to avoid creating difficulties for those States where local health departments play no role, or a more limited role, in providing maternal and child health services. However, it is the intention of the conferees that States maximize the amount of funding available for the direct delivery of services, and that local health departments (where they exist) and other local public health entities receive at least the same proportion of funding in future years as they have in the past for the provision of appropriate services.

(b) House bill.—The House bill prohibits the use of block grant funds for:

(1) inpatient services, other than inpatient services provided to handicapped children and such other inpatient services as the Secretary may approve;

(2) cash payments to intended recipients of health services;

(3) purchase or improvement of land or buildings; the purchase or major medical equipment; or the funding of depreciation or interest expense relating to such purchase or improvement;

(4) satisfying any requirement for the expenditure of non-Federal funds;

(5) providing financial assistance to other than a public or nonprofit private entity.

Senate amendment.—The Senate amendment prohibits the use of block grant funds for:

(1) inpatient services to extent disapproved by the Secretary;

(2) similar provision;

(3) similar provision, except does not bar use of funds to purchase major medical equipment or to fund depreciation or interest expenses; and authorizes waivers if justified by extraordinary circumstances;

(4) similar provision;

(5) no provision.

Conference agreement.—The conference agreement includes:

(1) House provision with a modification to include inpatient services for high-risk pregnant women and infants.

(2) Senate provision.

(3) Senate provision with a modification to bar use of grant funds to purchase major medical equipment.

(4) Senate provision.

(5) House provision with a modification to specify applicability to providing funds for research and training.

(c) House bill.—No provision.

Senate amendment.—The Senate amendment authorizes the State to transfer up to 10 percent of its allotments for use under other Federal block grants for health services, prevention, social services, or home energy and emergency assistance, if those block grants also allow funds to be transferred to this maternal and child health block grant.

Conference agreement.—The Senate recedes.

(d) House bill.—The House bill requires that at least 85 percent of a State's allotment must be used for the provision of health services to mothers and children, with special consideration (where appropriate) to the funding of special projects previously funded in the State under Title V. States would be authorized to spend up to 15 percent of their allotments for program administration, training, technical assistance, and program evaluation.

Senate amendment.—The Senate amendment provides that a State may use a portion of its allotment to purchase technical assistance from public or private entities if the State determines that such assistance is appropriate in carrying out programs under this title.

Conference agreement.—The conference agreement modifies the House bill to require that a substantial portion of all funds, Federal and State, expended by a State under this block grant be used for the provision of health services to mothers and children, with special consideration to the funding of special projects previously funded in the State under title V. States would be authorized to use their Federal allotment to purchase technical assistance where necessary. In removing the 15 percent ceiling on administrative services, the conferees do not intend that States spend that amount or more on administrative and other nonservice expenditures. It is the understanding of the conferees that administrative outlays under the current title V program average about 7.5 percent of total program outlays. The conferees intend that States, and if a State chooses to pass funds through those localities, would at least hold their administrative expenses to 7.5 percent of the total outlays, and expect that they economize even further to the maximum extent possible. The conferees expect that, in evaluating the performance of the States under this block grant, the Secretary and the Comptroller General will give particular consideration to a State's (or locality's) compliance with this standard.

(e) House bill.—The House bill requires that a State use a reasonable proportion of its funds (based upon its previous funding patterns) to reduce infant mortality, reduce preventable diseases and handicapping conditions, increase maternity care, increase child immunizations, and increase assessments of, and services to, low-income children.

Senate amendment.—No provision.

Conference agreement.—Senate recedes.

(f) House bill.—The House bill requires Secretary to assure that applicants for special projects, research, or training funds set-aside in the Federal allotments, establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds.

Senate amendment.—No provision.

Conference agreement.—Senate recedes.

(g) House bill.—The House bill allows for the continuation of the practice of assigning Federal specialists to assist in the operation and management of State and local programs and counting the cost of this assignment against the grant.

Senate amendment.—No provision.

Conference agreement.—Senate recedes. The conferees intend that this arrangement is to continue on a temporary basis, with such assignments lasting, on the average, 6 months.

5. Description of Intended Expenditures and Statement of Assurances

(a) House bill.—The House bill requires that States transmit to the Secretary a description of intended use of block grant funds each fiscal year, including the services to be provided, the categories of persons to be served, and the data to be collected. Requires the Secretary to determine promptly whether the description meets these requirements.

Senate amendment.—The Senate bill requires that States make available to the Secretary a report on the intended use of block grant funds, including a consideration of the needs of the State for services, a statement of goals and objectives for meeting those needs, information on the types of services to be provided and the categories of individuals to be served, and a description of the progress made in meeting the State's service and outcome goals.

Conference agreement.—The conference agreement includes the Senate provision with modifications to (1) require transmittal of the report to the Secretary, and (2) delete the requirement that the report include a description of progress made.

(b) House bill.—The House bill requires States to transmit to the Secretary a statement of assurances that:

(1) the State health agency will be responsible for administration of the State's allotment;

(2) the State has identified populations, areas and locations with a need for maternal and child health services and will provide a fair method (as determined by the State) for allocating funds;

(3) funds will be used only to carry out the purposes of the block grant;

(4) charges for services provided under the block grant will be public, will not be imposed on low income mothers or children, and will reflect income, resources, and family size. ("Low income" means an individual or family with an income determined to be below the nonfarm income official poverty line defined by the Office of Management and Budget and revised annually in accordance with section 624 of the Economic Opportunity Act of 1964.); and

(5) the State will identify guidelines for delivery of appropriate care and methods for assuring quality.

Requires the Secretary to determine promptly whether the statement meets these requirements.

Senate amendment.—The Senate amendment includes no such provision except that it requires that the State health agency administer the State's allotment.

Conference agreement.—The conference agreement provides that:

(1) the House recedes.

(2) the Senate recedes.

(3) the Senate recedes.

(4) the Senate recedes.

(5) the Senate recedes, with a modification deleting the requirement that the Secretary review the State's submission.

6. Reports and Audits

(a) House bill.—The House bill requires States to submit to the Secretary annual reports of their activities under the block grant.

Senate amendment.—The Senate amendment requires States to prepare reports on their activities under the block grant at least once every 2 years, and to make such reports available for public inspection within the State.

Conference agreement.—The conference agreement includes the House provision.

House bill.—The House bill requires that the reports be in a form and contain information determined by the Secretary, in consultation with the States and the Comptroller General, to be necessary to assure:

(1) an accurate description of activities;

(2) a complete record of the purposes for which funds were spent, the recipients of funds, and the progress made toward achieving the goals of the block grant; and

(3) the extent to which funds were expended consistent with the State's description of activities and statement of assurances.

Senate amendment.—The Senate amendment requires that the reports be in such form and contain such information as the State finds necessary to:

(1) assure an accurate description of activities;

(2) secure a complete record of the purposes for which funds were spent; and

(3) determine the extent to which funds were expended consistent with the State's report on intended use of payment.

Conference agreement.—The conference agreement includes the House provision.

(c) House bill.—The House bill requires the Secretary to report annually to the Congress on special projects, research, and training activities funded under the Federal set-aside.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision, with a modification requiring the Secretary to provide reports to the States.

(d) House bill.—The House bill requires the States to provide for an annual audit of Federal block grant funds through an independent entity in accordance with the Comptroller General's standards and to transmit a copy of this audit to the Secretary.

Senate amendment.—The Senate amendment requires the States to provide for an audit at least every 2 years of Federal block funds through an independent entity in accordance with generally accepted auditing standards.

Conference agreement.—The conference agreement includes the House provision, with a modification requiring audits every 2 years. The conferees have adopted the Comptroller General's standards as the appropriate standards for audits under this title. These standards incorporate the standards for financial audits established by the American Institute of Certified Public Accountants and are required by statute to be used by Inspectors General in auditing federally assisted programs. In addition, the Office of Management and Budget currently requires State and local governments to adhere to the Comptroller General's standards through Attachment P to Circular A-102.

The conferees expect that the States will initiate efforts to conduct audits of program economy, efficiency, and effectiveness in accordance with the Comptroller General's standards. Further, the Committee expects that, to the extent practicable, HHS' Inspector General and the Comptroller General will provide technical assistance to the States in planning and carrying out these audits.

To help ensure that Federal program funds are used only for authorized purposes and are used economically, efficiently and effectively, the Committee believes that the Comptroller General must exercise his traditional audit responsibilities. Accordingly, the Committee bill authorizes access to program-related records of the States, their political subdivisions, or their subrecipient organizations.

7. Fraud and Abuse

(a) House bill.—The House bill provides criminal penalties (up to $25,000 in fines or 5 years' imprisonment, or both) for fraudulent statements or concealment of material facts relating to payments for services under the MCH block grant.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

(b) House bill.—The House bill provides for imposition of civil money penalties and assessments for fraudulent or otherwise unlawful claims for payment for services under the block grant.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

8. Nondiscrimination

(a) House bill.—The House bill provides that the current prohibitions against discrimination on the basis of age, handicap, sex (in educational institutions), race, color, or national origin in Federal programs also apply to programs and activities funded under the MCH block grant.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

(b) House bill.—The House bill prohibits discrimination on the basis of sex and religion in any programs or activities funded under the MCH block grant.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision. It is the intent of the conferees that nothing in the bill could be construed to require a State under the MCH block grant to compel an individual to undergo any medical screening, examination, diagnosis, or treatment or to accept health care or services (other than services to prevent the spread of infectious or contagious diseases or for environmental health purposes) if such services would be contrary to his religious beliefs.

(c) House bill.—The House bill requires that the Secretary provide the Governor of a State notice and an opportunity to correct any noncompliance within the State before referring the matter to the Attorney General or taking other actions authorized by law.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

9. Administration

(a) House bill.—The House bill requires the Secretary to administer the block grant through an identifiable administrative unit with expertise in maternal and child health that is responsible for coordinating Federal maternal and child health efforts and for providing technical assistance and information to the States and that is authorized to collect, maintain, and disseminate information relating to health status and need of mothers and children.

Senate amendment.—The Senate amendment includes a similar provision, except it does not authorize collection of information relating to health status and needs of mothers and children.

Conference agreement.—The conference agreeement includes the Senate provision with modifications specifying that the unit (1) must have expertise in maternal and child health, and (2) must collect information on the health status of mothers and children. The conferees intend that such data will be collected in a manner that avoids duplication.

(b) House bill.—The House bill requires the Secretary to report to Congress by October 1, 1984, on the activities of the States under title V and recommend any appropriate changes in legislation.

Senate amendment.—The Senate amendment includes a similar provision, except it does not establish a deadline and does not require recommendations for appropriate changes.

Conference agreement.—The conference agreement includes the House provision.

10. Effective Date; Transition

(a) House bill.—The House bill provides that the new authorities for special projects, research, and training under the Federal set-aside are to take effect at any point between October 1, 1981, and October 1, 1982, as the Secretary deems appropriate.

Senate amendment.—The Senate amendment provides that the new authorities for special projects, research, and training under the Federal set-aside are to take effect on October 1, 1981.

Conference agreement.—The conference agreement includes the Senate provision.

(b) House bill.—The House bill provides that the new authorities for State block grant allotments are to take effect, at the State's option, no earlier than the first calendar quarter beginning more than 3 months after enactment and not later than October 1, 1982. Authorizes the Secretary to continue making grants under existing programs until a State opts into the block grant.

Senate amendment.—The Senate amendment provides that the new authorities for State block grant allotments are to take effect on October 1, 1981.

Conference agreement.—The conference agreement includes the House provisions with a modification providing for the transition period that begins on October 1, 1981.

11. State Agency

(a) House bill.—The House bill requires that States give assurances that block grant allotments will be administered by the State health agency.

Senate amendment.—The Senate amendment requires that block grant allotments be adminstered by the State health agency, except for States which on July 1, 1967, used separate agencies to administer their CC programs.

Conference agreement.—The conference agreement includes the Senate provision.

(b) House bill.—No provision.

Senate amendment.—The Senate amendment requires the coordination at the State level between block grant and related programs administered by the Secretary and other Federal programs. Such programs include the medicaid early and periodic screening, diagnosis, and treatment (EPSDT) program, the supplemental food program for mothers, infants, and children administered by the Department of Agriculture, related education programs administered by the Department of Education and other health and developmental disability programs administered by the Secretary, and family planning services authorized under title XX of this Act.

Conference agreement.—Includes the Senate provision with a modification moving the coordination requirement to the statement of assurance.

Authorization Caps

Health Planning, Health Facilities, Health Professions and Nurse Training

House Bill

The House bill acomplished reductions by reauthorizing appropriations for Health Professions and Nurse Training Programs (titles VII and VIII of the Public Helath Service Act). In addition, the House bill reduced the authorization of appropriations for local health planning programs for fiscal year 1982 and made substantive revisions in the existing health planning authorities.

Senate Amendment

Section 1101-1 of the Senate bill S. 1377 provided that the total amount of authorizations to carry out reductions in authorizations of appropriations for Health Planning, Health Facilities, Health Professions and Nurse Training Act shall not exceed $268,300,000 for the fiscal year ending September 30, 1982 and $176,715,000 for the fiscal year ending September 30, 1983. The reductions assumed passage of S. 799, The Health Professions Education & Nurse Training Amendments of 1981.

Conference Substitute

The conference substitute conforms to the provisions of the House bill in that it does not provide for a cap on authorizations for programs administered by the Health Resources Administration. The conference agreement for health planning and Health Professions and Nurse Training reauthorization and legislation are contained in other sections of this report.

HEALTH SERVICES ADMINISTRATION

House Bill

The House bill accomplished reductions by reauthorizing appropriations for National Health Service Corps and Public Health Service Hospitals.

Senate Amendment

Section 1101-3 of S. 1377 provided that the total amount of authorizations to carry out reductions in authorizations of appropriations required for Health Services Administration shall not exceed $247,200,000 for the fiscal year ending September 30, 1982 and $259,200,000 for the fiscal yer ending September 30, 1983. The reductions assumed passage of S. 801 dealing with the National Health Service Corps.

Conference Substitute

The conferees agreed to remove the authorization cap that was attached to Health Services Administration. National Health Service Corps reauthorizing legislation and the repeal of the Merchant Seaman Entitlement and closure of the Public Health Services Hospitals are contained in other sections of this report language.

NATIONAL INSTITUTES OF HEALTH

House Bill

The House will accomplished reductions by reauthorizing appropriations for National Research Service Awards.

Senate Amendment

Section 1101-5 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations required for National Institutes of Health shall not exceed $3,762,300,000 for fiscal year ending September 30, 1982, and $3,950,420,000 for the fiscal year ending September 30, 1983.

Conference

The Conferees agree to remove the authorization cap that was attached to the National Institutes of Health. Authorizing language for National Research Service Awards is found in another section of this report.

CENTER FOR DISEASE CONTROL

House Bill

The House bill accomplished reductions by reauthorizing appropriations for major categorical programs including immunization.

Senate Amendment

Section 1101-7 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations for Centers for disease control shall not exceed $201,100,000 for the fiscal year ending September 30, 1982 and $211,050,000 for

the fiscal year ending September 30, 1983 including not less than $24 million be spent for categorical immunizations programs.

Conference

The Conferees agreed to remove the authorization cap that was attached to the Centers for Disease Control. Reauthorization of major programs within the Centers for Disease Control are found in other sections of this report language.

Office of the Assistant Secretary for Health

House Bill

The House bill accomplished reductions by reauthorizing appropriations for Health Maintenance Organizations and the National Centers for Health Services Research, Statistics and Technology.

Senate Amendment

Section 1101-8 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations for the Office of the Assistant Secretary for Health shall not exceed $304,200,000 for the fiscal year ending September 30, 1982, and $319,410,000 for the fiscal year ending September 30, 1983. Assumed under this cap was passage of S. 1029, reauthorizing Health Maintenance Organizations, and passage of S. 800, dealing with the National Centers for Health Services Research, Statistics and Technology.

Conference Substitute

The Conferees agreed to remove the authorization cap that was attached to the Office of the Assistant Secretary for Health. Reauthorization of major programs within the Office of the Assistant Secretary for Health are found in other sections of this report language.

Mental Health Research and Training

House Bill

No provisions to carry out reductions of appropriations for Mental Health Research and Training were in the House bill.

Senate Amendment

Section 1101-6 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations for Mental Health Research and Training shall not exeed $234,800,000 for the fiscal year September 30, 1982 and $244,440,000 for the fiscal year ending September 30, 1983.

Conference Substitute

The Conferees agreed to remove the authorization cap that was attached to Mental Health Research and Training.

St. Elizabeths Hospital

House Bill

No provisions to carry out reductions of appropriations for St. Elizabeths Hospital were in the House bill.

Senate Amendment

Section 1101-9 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations required by House Concurrent Resolution 115 for St. Elizabeth's Hospital shall not exceed $98,900,000 for the fiscal year ending September 30, 1982 and $103,845,000 for the fiscal year ending September 30, 1983.

Conference Substitute

The Conferees agreed to remove the authorization cap that was attached to St. Elizabeth's Hospital.

Food and Drug Administration

House Bill

No provisions to carry out reductions of appropriations for Food and Drug Administration were in the House Bill.

Senate Amendment

Section 1101-10 of S. 1377 provides that the total amount of authorizations to carry out reductions in authorizations of appropriations required by House Concurrent Resolution 115 for Food and Drug Administration shall not exceed $336,000,000 for the fiscal year ending September 30, 1982 and $352,800,000 for the fiscal year ending September 30, 1983.

Conference Substitute

The Conferees agreed to remove the authorization cap that was attached to Food and Drug Administration.

Subtitle D

STATEMENT OF MANAGERS—FAMILY PLANNING

The House reconciliation bill reauthorized Title X, Voluntary Family Planning and Population Research, as a categorical program to be run by the Federal Government. The House version contained authorizations for four years, fiscal years 1982 through 1985 for sections 1001 (family planning services), 1003 (family planning training), 1004 (population research), and 1005 (family planning information).

The Senate reconciliation bill repealed Title X of the Public Health Service Act and included the program in its newly created Preventive Health Services block grant. The block grant was authorized for four years. The Senate directed that population research (Section 1004) continue to be funded under Section 301 of the Public Health Service Act, the general research authority.

The Conferees agreed that the family planning program should remain categorical, with authorizations for three fiscal years, 1982

through 1984, of $130 million, $143 million, and $156 million, respectively.

Three changes were made in Title X by the Conferees. The first was a statement added to section 1001 that "To the extent practical, recipients of grants shall encourage family participation." The conferees believe that, while family involvement is not mandated, it is important that families participate in the activities authorized by this title as much as possible. It is the intent of the Conferees that grantees will encourage participants in Title X programs to include their families in counseling and involve them in decisions about services.

The Conferees also repealed sections 1004(b)(1) and 1004(b)(2) of Title X. Section 1004 authorizes the Secretary to conduct and make grants for reproductive and population research. The Conferees decided not to repeal section 1004(a) which describes the research. The sections deleted provide the actual authorizations and a prohibition on the use of funds other than those appropriated under this section for this research. It is the intent of the Conferees that the repeal of sections 1004(b)(1) and (b)(2) shall not operate to terminate the existing program of research and training conducted at the National Institutes of Health (NIH) under the authority of section 1004, or substantially modify its breadth of scope. The NIH has sufficiently broad authority under sections 301 and 441 of the Public Health Service Act to continue the existing human reproduction research and population research and training program and it is the intention of the Conferees that such authority be exercised in this manner.

The Conferees included in the reauthorization of Title X a requirement that the Secretary conduct a study of the willingness and ability of States to administer the family planning program. The Secretary must report to Congress on the results of this study eighteen months after the enactment of this Act. Despite the fact that the Congress has put a number of programs into block grants, the Conferees have kept the family planning program categorical. Before any future decisions are made as to the disposition of Title X, it is important that the Congress have information on the ability of the States to manage this program.

Developmental Disabilities Report Language

The House bill limited appropriations to $51,000,000 for fiscal year 1982, $55,000,000 for 1983 and $59,000,000 for 1984. In contrast, the Senate authorized $61,100,000 for each of the fiscal years of 1982 and 1983.

A Senate amendment authorized $43,180,000 for State Grants, $8,000,000 for Protection and Advocacy, $7,500,000 for University Affiliated Facilities and $2,500,000 for Special Projects. Funding was extended through 1984 at $61,100,000.

The House receded to the Senate authorization levels and the Senate accepted the House language with an amendment to repeal the contract-grant authority section and the mandatory evaluation system with the following provisions:

Evaluation

Although a specific evaluation section has been deleted from current law, this should not imply that states receiving funds under the Act should not continue to develop standards and a system of evaluation that:

(1) provides objective measures of the developmental progress of persons with developmental disabilities

(2) provides a method of evaluating programs providing services for individuals with developmental disabilities

(3) provides effective measures to protect the confidentiality of records of, and information describing, persons with developmental disabilities.

Such a system, although not mandated by law, should be of a design developed by the states. The Secretary of HHS shall not be responsible for designing the evaluation system.

Special projects

Every effort should be made to ensure that project goals truly be of national significance with emphasis on priority service areas. Projects which are funded should not be a duplication of activities already being conducted by another agency or organization under part C of the Act.

Bill of rights

With reference to the Supreme Court's decision in *Pennhurst State School and Hospital, et al.* v. *Halderman, et al.,* the Conferees re-emphasize that they believe that developmentally disabled persons have a right to habilitative services in a setting which is least restrictive of their personal liberty in accordance with section 111 of the Developmental Disabilities Assistance and Bill of Rights Act. The Congress will continue to examine this issue to ensure that developmentally disabled persons truly have a right to habilitative services in a setting least restrictive of their personal liberty and that Federal funds are expended in a manner which achieves the goals of section 111.

Length of funding

Although authorization levels were extended through 1984, this action does not preclude the possibility of considering a future consolidation of programs dealing with handicapped individuals.

Subtitle C—Health Service, Research, Statistics, and Technology; Medical Libraries; and National Research Service Awards

The House extended and revised the authorizations for the National Center for Health Services Research (NCHSR), the National Center for Health Statistics (NCHS), the National Center for Health Care Technology (NCHCT) for fiscal years 1982 through 1984. The National Research Service Awards (NRSA) program and the Medical Libraries Assistance Act (MLAA) were extended for fiscal year 1982. The Senate did not include specific language concerning these programs. Rather, the Senate assumed enactment of S. 800 and included funding ceilings for these activities in its au-

thorization for the Office of the Assistant Secretary for Health and the National Institutes of Health.

The Conferees have agreed to extend the NCHSR, NCHS and the NCHCT for three years, with a number of revisions to their statutory authority. The NRSA program is extended for two years and the MLAA for one year.

A. National Center for Health Statistics (NCHS)

The Conferees have been impressed with the quality and usefulness of the annual report on health care costs and financing, resource utilization, and the health of the nation's people. The Conferees recognize that the frequency of such a report imposes a strain on the limited resources of the National Center for Health Statistics and the National Center for Health Services Research, the agencies with lead responsibility. Nevertheless, the Conferees view it as essential that the President and the Congress have available such up-to-date statistical information on a regular basis. It is sufficient, however, to have detailed reports such as the present one submitted every two years, with update reports to be submitted during the alternate years.

Section 306(l)(2)(A) is amended to make the establishment of guidelines regarding statistical information on environmental health effects a joint activity of the NCHS and the Office of Federal Statistical Policy and Standards (OFSPS). The mandate of the OFSPS cuts across all departments and agencies of government. As the relevant statistics and information are generated in many different organizational units throughout the government, the successful development and implementation of guidelines requires full participation of OFSPS.

B. National Center for Health Care Technology (NCHCT)

The Conferees wish to reaffirm their intention that the National Center for Health Care Technology not engage in activities designed to inhibit the technological development, innovation and diffusion of potentially beneficial technologies.

The Conferees have found the existing authority of the NCHCT to make recommendations on reimbursement policy to be an important activity that provides current information on the safety and effectiveness of health care technologies. In concert with the Center's responsibility for coordination and the assurance of nonduplication of technology assessment activities in the Department, the Conferees intend that the Center shall make the provision of reimbursement recommendations a continuing priority. The Center should continue to consult relevant interest groups, including those in the scientific and medical communities, private industry, third-party payors, consumers and other interested parties in making these recommendations to the Secretary.

At a time when both the Administration and the Congress seek to eliminate overlap and duplication of Federal programs it is critical for agencies with similar responsibilities to coordinate their efforts. The Conferees intend that the NCHCT shall not duplicate technology assessment activities that fall within the purview and authority of other Federal agencies. The Center should, through the Department's Technology Coordinating Committee, assure that

unnecessary duplication does not occur and that the respective efforts of the agencies are coordinated.

The Conferees have noted the role and contribution of members of the business community in the development and production of health care technology. Accordingly, the membership on the National Council on Health Care Technology of representatives of such business entities is increased from two to three members of the Council.

The Conferees have noted that since its inception, there has been expressed concern that the NCHCT is a regulatory agency, with authority to control the development, diffusion and utilization of technology and therefore interfere with the practice of medicine. The Conferees reiterate their view that the role and activities of the NCHCT are not regulatory. Rather, the NCHCT provides guidance which may be applied voluntarily by decisionmakers who have a need for evaluative information about health care technologies.

In repealing subsection 309(g) the Conferees intend that all appropriate Federal agencies continue to participate fully with the NCHCT in carrying out this section.

C. National Center for Health Services Research (NCHSR)

The Conferees are aware of the important role that NCHSR has played in stimulating and supporting the development of medical information systems and in devising ways for using computers to enhance the delivery of health services. In amending Section 305(b) to remove the specific reference to computer science and medical information systems, the Conferees do not intend to preclude NCHSR from supporting research in these areas. However, the Conferees believe that this area of research should be reduced in emphasis given the limited resources available for health services research and the need for better information on such major policy issues as the role of market forces in the health care system.

The Conferees have reviewed the status of the several centers for multi-disciplinary health services, research, evaluations and demonstrations and find that this activity has demonstrated its value in assuring the promotion and dissemination of health services research and has had a demonstrated impact on the quality, accessibility, distribution and financing of health services. Thus, the Conferees have continued support for this activity. Extramural health centers are an important component of a balanced health services research program, and the Conferees anticipate that the NCHSR will maintain three such centers over the next three years. The reduction in extramural health services research centers from six to three is consistent with overall reductions in the authorizations for NCHSR. The Conferees intend that NCHSR support three such extramural research centers at a total funding level not to exceed $1,500,000 (including indirect costs) in each of the three fiscal years covered by this authorization.

D. National Research Service Awards (NRSA)

The purpose of this program is to guarantee that highly trained scientific manpower will be available in adequate numbers and in the appropriate disciplines, fields, and specialties for the nation's biomedical and behavioral research agenda.

The Conferees have agreed to reauthorize the program for fiscal year 1982 and fiscal year 1983 at levels of $182 million and $195 million respectively. Though below the current program level, this authorization should permit the award of stipends to a number of trainees reasonably close to that presently receiving support and, at the same time, should not reduce the level of funding of institutional allowances and indirect cost reimbursement too far below that now prevailing. The exact prescription of the number of trainees and the level of allowances will be set by the Department under the above general guideline.

The training of scientists is a long and arduous process. Thus, a deficit, once developed, cannot be quickly remedied, no matter how much money and effort is thrown into the breach. For this reason, the Conferees decided to authorize the NRSA program at levels above those recommended by the Administration. Moreover, to alleviate potential concern about commitment to the program, occasioned by reauthorization for one year only, a two-year extension was agreed upon.

The Conferees wish to make clear that they attach a high value to the non-stipendiary components of NRSAs. Institutional allowances have enabled the Federal agencies to create centers of excellence for the development of young scientists. Scientists produced in these environments will, in future years, shoulder large individual and group responsibility for the deployment of very substantial amounts of Federal biomedical and behavioral research funds. Non-federally sponsored trainees should profit from the Federal investment in these training environments. The Conferees also recognize that indirect costs are as real as direct costs, and that the government, in arbitrarily limiting these, has thereby required institutions to cost share, i.e., to subsidize, what are basically Federal programs for the nation's well-being. Under no circumstances should institutional allowances and indirect cost reimbursement be stripped or markedly reduced from National Research Service Awards.

The Conferees also agreed to accept three other provisions implicit in the basis for the recommendations of Conference agreement. One of these is to reduce the payback requirements imposed on NRSA recipients to the extent of excluding the first year of training from the computation of the payback obligation. It has been suggested that talented students who might undertake research training have been discouraged or intimidated by the payback provision. This legislation will allow such individuals to explore their fitness for a research career for one year without incurring a pay-back obligation.

Another provision of the conference bill relates to a program, created several years ago, to use NRSA funds to provide exposure of prebaccalaureate minority students to biomedical research during their junior and senior years with the objective of encouraging them to undertake research careers in this field. Since it would clearly be self-defeating to require it for this experience, the Conferees have agreed to exempt such awards from payback.

Finally, the Conferees believe the agencies should continue to give special consideration to physician applicants for NRSAs in the clinical disciplines. The number of physicians applying for training awards has declined since 1974, and the proportion of physicians as

principal investigators on NIH research grants has fallen. The Conferees urge the relevant Federal agencies to continue to take appropriate measures to stimulate the training of physicians for clinical investigation.

Finally the conferees are concerned about the federal income tax status of the National Research Service Awards. In 1977, the Internal Revenue Service ruled that NRSA stipends must be included in gross taxable income (Revenue Ruling 77-319). In 1978, the Committee on Interstate and Foreign Commerce expressed its views in the report on "The Biomedical Research and Research Training Amendments of 1978" that the Internal Revenue Service's ruling on NRSAs represented a misreading of the purpose of these awards. The Committee stated that in its opinion the primary purpose of such awards is payment, not for service, but rather for the training of individuals in order that they might be better equipped to pursue research careers. The Committee then expressed the hope that the IRS would reverse its ruling in light of the statement of the Committee's intent. Further expression of Congressional purpose is contained in Section 161 of the Revenue Act of 1978, which, in order to rectify the situation, included a provision that expires on December 31, 1981 requiring that awards be treated as a scholarship or fellowship grant under the Internal Revenue Code.

The Conferees recognized that the jurisdiction of a permanent tax exemption for NRSAs remains with the House Ways and Means and the Senate Finance Committees. However, as the purpose of the awards—a matter directly in the purview of the Conferees—is at the heart of the dispute, the Conferees feel obligated to clarify their intent regarding the primary purpose of the NRSA program. National Research Service Awards are not made for the purpose of receiving services designated by the grantor. Rather the payback requirement offers benefits to the Nation from the participation of NRSA recipients in the research enterprise. As the Committee does not believe that the payback requirement is a *quid pro quo,* the tax exemption should be applicable.

E. Medical Libraries Assistance Act (MLAA)

The Conferees have agreed to extend the Medical Libraries Assistance Act for one year. No other changes have been made to existing authority.

HEALTH SERVICES RESEARCH, STATISTICS, AND TECHNOLOGY; MEDICAL LIBRARIES; AND NATIONAL RESEARCH SERVICE AWARDS AUTHORIZATION

[In millions]

	Base	Conference agreement—fiscal year		
		1982	1983	1984
National centers:				
Health services research	$32.9	$20.0	$22.0	$24.0
Health statistics	40.9	39.0	39.0	39.0
Health care technology	4.3	3.0	4.0	5.0
Subtotal	78.1	62.0	65.0	68.0
National Research Service awards	217.0	182.0	195.0	.....
Medical library assistance	10.5	7.5	.....	.....

HEALTH SERVICES RESEARCH, STATISTICS, AND TECHNOLOGY; MEDICAL LIBRARIES; AND NATIONAL RESEARCH SERVICE AWARDS AUTHORIZATION—Continued

[In millions]

	Base	Conference agreement—fiscal year		
		1982	1983	1984
Grand total	305.6	251.5		

SUBTITLE F: HEALTH PROFESSIONS

H.R. 3892 the House reconciliation bill revised and extended the provisions of the health professions and nurse training authorities with total authorizations of $265 million. The Senate subsequently passed S. 1377 which included a cap of $168 million in total authorizations for the same programs. The managers on the part of the House and Senate have agreed to amend Titles VII and VIII of the PHS Act as recommended in the accompanying report.

AUTHORIZATION OF APPROPRIATIONS

The Conference substitute would authorize appropriations for the health professions and nurse training programs totaling $218.8 million in fiscal 1982.

STUDENT ASSISTANCE

Health Education Assistance Loan (HEAL) Program. The conference agreement extends the authority for this program of insured loans for health professions students through fiscal year 1982 and specifies the maximum amount of loans which may be guaranteed under this authority for each fiscal year. For fiscal year 1982, this total is $200 million; for fiscal year 1982, $225 million, and for fiscal year 1984, $250 million.

The conference agreement includes several other amendments to the HEAL program:

(1) It allows the Student Loan Marketing Association ("Sallie Mae") to consolidate HEAL loans with other loans, but prohibits such consolidation if the Federal government becomes liable for any greater payment of principal or interest under the provisions of the Higher Education Act of 1965 as amended than it would have been liable for if no consolidation had occurred. The agreement also provides that if a HEAL loan is included in a consolidated loan made available by the Student Loan Marketing Association under part B of title IV of the Higher Education Act of 1965 as amended (see P.L. 96-374 for the new loan consolidation authority), the interest rate on that consolidated loan should be set at the weighted average interest rate of all loans offered for consolidation. For a consolidated loan, the student would be responsible for any interest accrued on the HEAL loan prior to the beginning of the repayment period. The special allowance otherwise payable toward the interest on a consolidated loan (i.e., the allowance representing the difference between the market rate of interest at a rate of 7 percent for the student under Department of Education loan pro-

grams) would not be payable toward the part of the weighted average interest attributable to the HEAL loan.

(2) The conference agreement increases to $20,000 the maximum total of loans which may be insured in any academic year ($80,000 aggregate) for students enrolled in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry and podiatry. It also increases to $12,500 the maximum total of loans which may be insured in any one year ($50,000 aggregate) for students enrolled in schools of pharmacy, chiropractic, public health, or a graduate program in health administration or clinical psychology.

(3) HEAL loan agreements could provide that installments of principal and interest need not be paid, but interest would accrue, until the date upon which repayment of the first installment falls due. Payment of principal and interest could be deferred for up to 4 years (formerly 3 years) of internship or residency training.

(4) The conference agreement also provides an option for borrowers under the HEAL program to elect a graduated repayment plan, with larger payments due later in the repayment period. The maximum repayment period for principal of a loan is increased from not more than 15 years to 25 years, and the maximum period of the loan is increased from 23 years to 33 years from the date of execution.

Health Professions Student Loans. The conference agreement extends the existing authority for federal capital contributions to school loan funds for low-cost loans to health professions students in need of assistance. The interest rate on loans would be increased from 7 percent to 9 percent.

EXCEPTIONAL FINANCIAL NEED SCHOLARSHIPS

The conference agreement extends the existing authority for grants to health professions schools for scholarships to first year students in exceptional financial need, with an amendment to delete the requirement that funds be distributed to all health professions schools. In deleting the requirement that grant for Exceptional Financial Need scholarships be distributed among all schools of the health professions, the managers intend that scholarships grants be awarded on the basis of the relative need of schools for scholarship funds. Priority would continue to be required to be given in the distribution of grants to schools of medicine, osteopathy, and dentistry.

Under existing law, recipients of Exceptional Financial Need scholarships have priority, if they apply, for the award of National Health Service Corps scholarships for their second and succeeding years of study. The managers intend that this policy be continued and that new Corps Scholarship awards to former recipients of Exceptional Financial Need scholarships be considered in the category of continuing awards.

PRIMARY CARE TRAINING

The conference agreement extends the authority for grants to schools of medicine and osteopathy for the establishment of family medicine departments equivalent to other academic departments. The amended authority would allow the Secretary to make grants

not only for the establishment and maintenance of family medicine departments but also for the improvement of existing departments. It is the consensus of both the House and Senate that the Nation requires more primary care physicians for the immediate future. The conference agreement has extended the family medicine department authority in order to continue to encourage the training of more primary care physicians. For the same reason, it has also extended eligibility for grants to schools to maintain departments which have been established in the past. At a time when States are faced with limited resources to fund a variety of worthwhile projects and when it is necessary to reduce funding for Federal health manpower training programs, access to Federal support for existing family medicine departments is as vital to continued growth in numbers of primary care practitioners as support for the establishment of new departments.

Priority is provided under family medicine for residency training projects.

AREA HEALTH EDUCATION CENTERS (AHECS)

The conference agreement extends the authority for the AHEC program which was established in 1971 to improve the accessibility and quality of health care in underserved areas, as well as to provide increased educational opportunities for area residents. Of the total appropriation in any fiscal year, up to 10 percent may be provided to AHEC programs which have previously received initial development support and which might not otherwise be eligible for continued support under this authority.

A number of AHEC programs, (for example, those at the University of Illinois Medical Center and the University of North Carolina) have significantly improved the geographic and specialty maldistribution of health professionals in shortage areas in their States. These programs would continue to make such contributions, but are in jeopardy at a time when it has been necessary to reduce funding for other health professions and health services programs and when States are hard-pressed to assume responsibility for the continuation of the program. Under these circumstances, Federal support is critical for such AHEC programs, and it is the purpose of this provision to assure that these programs continue their efforts and achievements.

DISADVANTAGED ASSISTANCE

The conference agreement would extend the existing authority for aid to health or educational entities for projects to assist individuals from disadvantaged backgrounds to undertake and complete education to enter a health profession. Schools of allied health would be made specifically eligible to participate in the program. Of funds appropriated, 80 percent would be required to be obligated for grants or contracts to institutions of higher education and not more than 5 percent, for grants or contracts having the primary purpose of informing individuals about the existence and general nature of health careers.

CURRICULUM PROGRAMS

The conference agreement accepts the extension of a revised general special project authority for support of health manpower projects and programs in a wide variety of curriculum development fields. The revised authority would incorporate aid for shortage area support services, geriatric medicine, and podiatric manpower training.

The conference agreement also would provide new authority for one-time grants to assist 2-year medical schools such as Morehouse Medical School, in converting to 4-year schools. These grants would be in the amount of $25,000 times the number of 3rd-year students enrolled. There would be a single authorization for the conversion grants and the curriculum development aid described above. The agreement also authorizes $5 million in FY 1983 for support of construction for schools converting from 2 to 4 year medical schools.

FINANCIAL DISTRESS

The conference agreement extends the existing authority for aid to health professions schools to assist in meeting costs of operation of schools in serious financial distress or meeting accreditation requirements, and carrying out operational, managerial, and financial reforms. In addition, the conference agreement adds new authority for multi-year "advanced financial distress" contracts with schools that have serious and long-standing financial instability. For "advanced" aid, schools would be required to have a plan to achieve financial solvency within 5 years. Of the $10 million authorized for the combined authorities no more than $2 million could be made available for basic financial distress grants.

The managers expect these authorizations to provide vital support for the few health professions schools which are in financial distress. These schools currently include four minority schools which provide unique opportunities for students to enter into health professions careers. The conferees recognize the contribution of these schools—The Meharry medical and dental schools, the Tuskegee veterinary school and the Xavier pharmacy school—to meeting the Nation's need for more minority health professionals.

PUBLIC HEALTH AND PREVENTIVE MEDICINE

The conference agreement extends the authorities for capitation grants to schools of public health and institutional grants for health administration programs. The public health and health administration traineeship authorities would also be extended. New authority for support of preventive medicine residency training would be provided: grants and contracts would be available to schools of medicine, osteopathy, or public health.

PHYSICIAN STUDY

The conference agreement includes the House bill's requirement that the Secretary arrange for a study of physician supply and distribution with particular attention to the implications of various third-party payment patterns for distribution of physicians by specialty, the cost of health care, the geographic distribution of physi-

cians, and the quality of health care. The study would be conducted by the Institute of Medicine, if they are willing, or by another appropriate nonprofit private entity. The Secretary's authority to enter into a contract for the study would be effective only as funds were provided in advance by appropriation acts. The managers intend that the overall cost of the proposed study not exceed $2 million.

NURSE TRAINING

The conference agreement includes provisions allowing capitation grants to schools of nursing to expire, extending special projects, advanced nurse training, traineeship, student loans and nurse practitioner programs. Because the conferees are concerned that the abrupt elimination of capitation support may cause short-term serious financial problems for some nursing schools, the conference substitute includes funding for financial distress awards. In the provision for professional nurse traineeship not less than 25 percent of the funds appropriated would be required to be used for students training to teach. Priority in the awarding of traineeships to nurse practitioners shall go to students training in nurse midwifery programs.

The managers are aware of the difficulties being experienced by recipients of nurse practitioner traineeships in fulfilling commitments to serve in health manpower shortage areas upon completion of their training. Failure to perform service is attributable in many instances to the lack of available positions for nurse practitioners in the designated areas. For this and other reasons, the Conference substitute requires that the Secretary by regulation provide for the waiver or suspension of obligations whenever compliance would be impossible or involve extreme hardships. An effective date for this requirement is not specified. It is the managers' intention that waivers be allowed as necessary and appropriate to individuals awarded traineeships prior to the enactment of this Act.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AND NURSE TRAINING AUTHORIZATIONS

[In millions]

Program	Base	Conference agreement—Fiscal year		
		1982	1983	1984
I. Health Professions:				
A. Data: Health professions data (708)				
B. Construction:				
Conversion (720)			$5.0	
Interest subsidies (726)		$4.3	4.3	$4.3
Subtotal		4.3	9.3	4.3
C. Student Assistance:				
Student loans (742)	$18.0	12.0	13.0	14.0
Excep. Need Schol. (758)	10.9	6.0	6.5	7.0
Subtotal	28.9	18.0	19.5	21.0
D. Capitation: MODVOPP (770)	71.2			
E. Project Grants and Contracts:				
Depts.—Fam. Med. (780)	10.3	10.0	10.5	10.5
Area Health Educ. Centers (781)	22.8	21.0	22.5	24.0

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AND NURSE TRAINING AUTHORIZATIONS—Continued

[In millions]

Program	Base	Conference agreement—Fiscal year		
		1982	1983	1984
Phys. Assistants (783)	14.3	5.0	5.5	6.0
Gen. Int. Med./Peds (784)	21.2	17.0	18.0	20.0
Fam. Med /Gen. Dent. (786)	44.1	32.0	34.0	36.0
Ed. to Disadvantaged (787)	21.3	20.0	21.5	23.0
Financial Distress (New 788A&B)	10.9	10.0	10.0	10.0
Curriculum Develop. (788)	11.2	6.0	6.5	7.0
Subtotal	156.1	121.0	128.5	137.0
F. Public Health:				
Capitation—PH (770(e)(4))	7.1	6.5	7.0	7.5
PH Traineeships (748)	7.6	3.0	3.5	4.0
PH/HA Special Projects (792)	5.4			
Health Administration (791)	3.3	1.5	1.75	2.0
HA Traineeships (749)	2.2	.5	.5	.5
Prev. Medicine		1.0	1.5	2.0
Subtotal	25.6	12.5	14.25	16.0
G Allied Health:				
AH Special Projects (796)	5.7			
AH Traineeships (797)	1.6			
Subtotal	7.3			
Total Health Professions (Title VII)	375.6	155.8	171.55	178.3
II. Nurse Training				
Capitation—nurse (810)	26.1			
Special Projects (820)	16.3	10.0	10.5	11.0
Ad. Nurse Training (821)	13.1	14.0	15.0	16.0
Nurse Practitioner (822)	14.1	12.0	13.0	14.0
Nurse Traineeships (830)	14.1	10.0	10.5	11.0
Nurse Student Loans (837)	14.7	14.0	16.0	18.0
Nurse Financial Distress (815)		3.0	2.0	1.0
Total Nurse Training	98.4	63.0	67.0	71.0
Total Health Manpower (Titles VII and VIII)	387.5	218.8	238.55	249.3

MERCHANT SEAMEN ENTITLEMENT AND PUBLIC HEALTH SERVICE HOSPITALS

House Bill

The House bill contained provisions that would authorize the Secretary of the Department of Health and Human Services to close or transfer to community control (on a financially self-sufficient basis), the operation of Public Health Service hospitals and clinics. Potential local sponsors for community takeover must have their applications received by the Secretary by September 1, 1981, with facilities submitting viable plans allowed continued operation through fiscal year 1982 until a transfer could be consummated. The House bill would authorize such sums as necessary for the transfers.

In addition, the House provision under "Title IX, House Committee on Merchant Marine and Fisheries, Subtitle B," provided for the end of entitlement of seamen as defined in Section 322(a) of the Public Health Services Act to free medical care at PHS hospital

and clinics as of October 1, 1981. The bill would also provide medical care coverage at whatever PHS facilities which may remain open for those merchant seaman who chose to reimburse the Public Health Service according to regulations prescribed by the Secretary of Health and Human Services.

Senate Amendment

The Senate authorization contained with S. 1377, repealed the current law entitlement which authorized free medical care to merchant seamen at Public Health Service hospitals and clinics. The Senate language also provided for closure of the Public Health Service Hospitals unless viable plans for transfer are approved by the Secretary of Health and Human Services. The bill would permit the Secretary to enter into contract with public or private entities for feasibility studies as to the acquisition and continued operation by non-Federal entities of Public Health Service hospitals and clinics. Transfer of the hospitals to local or state control must be done by March 1, 1982. Plans for such transfer must be submitted to the Secretary by September 1, 1981.

Conference Agreement

The Committee of Conference on the disagreement of the two Houses to Title IX, Subtitle B (Merchant Seamen Entitlement to Medical Care) of Title IX of the bill H.R. 3982 and to Section 1101-4 (a) of the bill S. 1377 (Title XI, Part A, Health Reconciliation Provisions) have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to Section 9052 of the bill H.R. 3982, that the House recede from its disagreement to 1101-4 (a) of the bill S. 1377 and agree to Title IX, Subtitle B of H.R. 3982 with an amendment.

While the agreement reached ends the 200 year entitlement to free medical care, the bill provides a limited one-year extension of free care to American seamen who have been admitted for care before October 1, 1981, and who are, for that illness or injury, unable to receive care elsewhere. The Secretary, who would determine whether the beneficiary qualifies for continued care, is governed by provisions limiting the duration of care to that care necessary to complete the treatment started prior to October 1, 1981. The conference managers understand that whatever small costs may result will have no measurable impact on the substantial savings achieved by the elimination of free care generally.

Thus, Section 930 provides a humanitarian transition for those seamen who, at the time of termination of the entitlement to free care generally, have been admitted for care and who are without means to continue their treatment.

HEALTH MAINTENANCE ORGANIZATIONS

The agreement reflects the conferees' intention to permit HMOs significant flexibility to compete successfully while maintaining standards necessary to assure the quality and accessibility of basic health services, and the fiscal soundness of HMOs. New flexibility is provided to the HMOs in establishing organizational arrange-

ments. At the same time the basic health services required by existing law have been retained.

The billl authorizes the loan fund through 1986 and authorizes appropriations to be made to it for three specific purposes during the next three fiscal years (fiscal years 1982–1984). The authorization is such sums as may be necessary to carry out the three purposes, which are:

(a) to assure that the loan fund has a balance of at least $5 million at the end of each fiscal year so that new loans can be awarded;

(b) to meet the obligations of the loan fund resulting from defaults on loans made from the fund; and

(c) to meet the other obligations of the loan fund, such as losses due to discounting of loans when selling them.

Predictions as to the number of defaults during the next three fiscal years are understandably difficult to make. The bill also authorizes the Secretary to continue to make new loans so that new HMOs will have access to the necessary capital to establish themselves. This is purely a banking function, though, because the loans would continue to be make at market rates. The conferees are concerned over the extent of losses from the loan program, and expect the Secretary to carefully evaluate the fiscal soundness of an applicant before making any loans as authorized by this section.

The bill amends the "community rating system" so that an HMO, while still using a form of community rating, could set different premium rates for different groups. This new system can be called "community rating by class." The conference agreement allows HMOs to use both the existing community rating system of this new system, but only one of these systems could be used in any one group. The new system would work in the following manner:

First, it is necessary to explain the terms "group" and "class." The main market for HMOs is groups of individuals. A group is usually the employees of one employer; but it also could be composed of the employees of a number of small employers or the members of an association or club. As used in the bill, the term "group" refers to these types of employee groups or other aggregations of individuals who wish to purchase HMO membership under contract. Current regulations describe a "group" in this manner. A group could not be established based on characteristics such as sex or race.

Under this new community rating by class system, an HMO would establish "classes" of individuals and families. A class could not be a "group" (such as one employer's employees), or a combination of two or more groups (such as steel workers), or be based upon any proxy for a group or groups (such as occupation). A class would be actuarily derived or based on other factors which predict differences in the use of HMO services by individuals or families with the characteristics of the class. For example, individuals between the ages of 18 and 40 could be one class of people of that age are expected to have similar health care utilization patterns and people younger and older are expected to use services differently. The purposes of these classes is to put all individuals and all families who are expected to have similar utilization experiences (and thus similar costs to the HMO) into the same class, regardless of which groups they are from. The number of classes and the the fac-

tors used to establish classes are left to the discretion of the HMO; except that the Secretary would review the factors when an HMO applies for federal qualifications (or when an existing HMO applies for authority to change to this new rating system) and could prohibit the use of any factor which he determined could not reasonably be used by an HMO to predict the use of its health services by its members.

An HMO currently operating would take all enrolled individuals and families (individuals of a group who have coverage for their family) from all groups to which it markets and distribute them into the classes the HMO has established. It also would distribute any new enrollees from a group to which it currently markets, or a new group to which it is marketing for the first time, into these same classes. An HMO which is developing would distribute members into these classes as they enrolll.

The HMO would then establish the amount of revenue required from each class to provide covered services to that class based upon that class' projected utilization.

The HMO would then establish, for each group, a composite premium rate for all individuals in the group and for all families of similar composition in the group. (Composition refers only to size.) The rate would be the same for all individuals in the group and for all families of similar composition in the group. The composite rate for the individuals in one group would be derived by (1) multiplying the revenue requirements for each class by the number of individuals from the group in that class; (2) adding the revenue requirements for all classes of individuals from the group; and (3) dividing the total revenue requirements for all individuals by the total number of individuals in the group. The process is similar for families; except that if classes are established based only on the number of persons in a family, the premium rate for families of the same size would be equivalent to the revenue requirements for that class.

The following chart shows how the composite rate is established for two hypothetical employers.

COMMUNITY RATING BY CLASS

Class No. 1—individuals under 30
Class No. 2—individuals between 30–55
Class No. 3—individuals between 55–65
Class No. 4—families of 2
Class No. 5—families of 3 or more
Group No. 1—Franklin Clothing
Group No. 2—City of Jacksboro

	Group No. 1: number of persons	Revenue requirements per person per month	Group No. 2: number of persons
Class No. 1	50	$10	10
Class No. 2	20	20	20
Class No. 3	10	30	50
Class No. 4	40	20	10
Class No. 5	40	40	70

PREMIUM RATES

	Group No. 1	Group No 2	Community rate (under current law)
Class No. 1	$500	$100	
Class No. 2	$400	$400	
Class No. 3	$300	$1,500	
Total	$1,200	$2,000	$3,200
Number of individuals	80	80	160
Composite rate for individuals	$15	$25	$20

Note.—These classes of families vary only by family size; so the premium rates for classes No 4 and No. 5 are the same as the revenue requirements.

This new rating system will permit an HMO to establish different premium rates for different groups, and thereby to reflect the different risks faced by it in providing health services to the enrolled members of each group. If one group of employees composed of relatively young individuals with few families, the premium rates will be lower than for a group of employees composed of relatively older individuals with many large families. This new system does not permit experience rating, which involves the establishment of premium rates for a group based solely on the utilization experience of that group in the previous contract year. This system will provide substantial new flexibility in rate-setting and will allow HMO's to set more competitive rates.

The conferees have agreed to two provisions which will help assure the fiscal integrity of federally qualified HMOs and protect the members from personal liability. HMOs are required to adopt an arrangement satisfactory to the Secretary to protect their members from incurring liability for any fees that are the legal responsibility of the HMO. These arrangements may include "hold harmless" clauses with any hospital that is regularly used by the HMO member, insolvency insurance, adequiate financial reserves or other arrangements acceptable to the Secretary. The agreement also requires each federally qualified HMO to demonstrate to the Secretary that it continues to meet the standards for federal qualification. While the conferees do not intend this requirement to be burdensome to the HMO, or to require an extensive demonstration, the conferees do intend that the Secretary use this provision to assure all those who deal with federally qualified HMO that the HMO continues to meet all relevant standards.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

Alcohol and Drug Abuse Project Grants and Contracts

House Bill

The House bill repealed the authorities for project grants and contracts, including the authorization for the State Uniform Alcoholism and Intoxication Treatment Act incentive grants.

Senate Amendment

The Senate amendment authorized $30 million in fiscal year 1982 for project grants and contracts ($15 million for alcohol abuse,

and $15 million for drug abuse) to encourage the demonstration of new and more effective alcohol and drug abuse prevention, treatment and rehabilitation programs, and for other related activities (detailed under S. 755, the Comprehensive Alcohol and Drug Abuse Amendments of 1981, reported by the Labor and Human Resources Committee on July 8, 1981).

Conference Agreement

The Conference substitute adopts the Senate amendment, intending that the Secretary will employ the authority to support high quality projects showing the greatest promise of leading to new and more effective prevention, treatment and rehabilitation approaches. Such project grants and contracts are for a maximum of five years, and non-Federal financial participation is not required in the first year of a grant or contract. The Federal share of any such grant or contract is a maximum of 80 percent of costs in the second year, a maximum of 70 percent in the third year, and a maximum of 60 percent in each of the fourth and fifth years. The Secretary is required to give special consideration to applications for projects aimed at traditionally underserved populations. Grants and contracts for projects aimed at both alcohol and drug abuse concurrently are allowed, and at least 25 percent of appropriated funds are to be used for prevention programs and projects. Finally, the State Uniform Act incentive grant authority is repealed, and public inebriates are added to the list of traditionally underserved populations.

Alcohol and Drug Abuse Research

House bill

The House bill authorized $25 million in fiscal year 1982 and $27 million in fiscal year 1983 for alcohol abuse research, including grants to national research centers; provided that no more than 35 percent of funds appropriated would be used to support National Alcohol Research Centers (NARC); and required the Secretary to make a grant in fiscal year 1982 to a designated NARC for research on the effects of alcohol on the elderly. The House bill further authorized $45 million in fiscal year 1982 and $48 million in fiscal year 1983 for drug abuse research, including research to determine the cause of drug abuse in a particular area and to improve drug maintenance and detoxification techniques and programs.

Senate amendment

The Senate amendment authorized $25 million in fiscal year 1982 for alcohol abuse research, including grants to National Alcohol Research Centers, and $50 million in fiscal year 1982 for drug abuse research (detailed in S. 755).

Conference Agreement

The Conference substitute conforms to the House provision except: 1) authorization levels for fiscal year 1983 are deleted and 2) language found in S. 755 authorizing drug abuse research in the areas of prevention, treatment and rehabilitation is incorporated.

House bill

No comparable provision

Senate bill

S. 1090 as reported by the Senate Labor and Human Resources Committee (S. Res. 97-161) S. 1090, the Adolescent Family Life Act, as amended, repeals the Adolescent Health Services and Pregnancy Prevention and Care Act, P.L. 95-626 and establishes a new title XIX under the Public Health Service Act. It authorizes appropriations for demonstration grants for 3 fiscal years beginning fiscal year 1982 for services and research relating to premarital adolescent sexual relations and pregnancy. The bill requires that at least two-thirds of the funds appropriated be used to make grants for services and that no more than one-third of the funds may be used for making grants for research; grants for services may be made to provide care services for pregnant adolescents and adolescent parents, and for prevention programs or for programs which provide both kinds of services. However, no more than one-third of the service dollars may be spent for prevention services. Service grantees are required to provide "necessary services" which in the judgment of the Secretary of Health and Human Services best address the multidiciplinary needs of pregnant adolescents and the problem of premarital sexual relations; caring programs must provide a "core" of services to assure that the programs are comprehensive and the Secretary may prescribe a core of services for preventive programs. Research grantees must perform scientific research on the societal causes and consequences of premarital adolescent sexual relations and pregnancy; and, evaluations of the effectiveness of the individual projects and the program as a whole must be done by independent sources. It mandates the involvement of parents, in instances where an unemancipated minor is receiving services, except where a minor has requested pregnancy testing; and encourages the involvement of the family and the community, through religious, charitable, and voluntary asociations, in helping adolescent boys and girls understand the implications of premarital sexual relations, pregnancy, and parenthood. Finally, it prohibits the use of program funds for abortion activities.

Conference agreement

The conferees agreed to the bill with three amendments. First, the exception prohibiting the use of funds to support research on fetuses is deleted. The Conferees recognize that these types of research are not consistant with the purposes of this program and that research on these issues is already being conducted under other authorities. However, grants or contracts may be made to conduct research relating to the consequences of abortion. Second, the requirement for parental notification and consent is modified so that such notification and consent is not required of any unemancipated minor who requests testing or treatment for venereal disease, who is a victim of incest involving a parent, or if notification of the parents or guardian of the minor would result in physical injury to the minor if such notification were made as certified by an adult blood relative. With regard to the last exclusion, the

grantee shall notify the Secretary of the exact number of instances without disclosing the identity of the adolescent in which such grantee does not notify the parents or guardian. Since family participation is a major goal of the Adolescent Family Life program, the purpose of this reporting requirement is to permit the Secretary to carry out the responsibility to assure that the requirement for parental notification is complied with. Third, the prohibition on abortion related activities is consolidated and clarified. Grants shall be made only to grantees who do not provide abortion related activities or subcontract with an entity who does, and who do not advocate, promote, or encourage abortion. If, however, the adolescent and parents or guardian both request information on abortion, a grantee may, at its option, provide referral for abortion counseling. This demonstration program is designed to foster alternatives to abortion and to encourage adolescents to bring their babies to term. Therefore, it is the intent of the Conferees that the Secretary will immediately withhold payments made under this program if the Secretary determines that there has been a violation of this provision.

RADIATION HEALTH AND SAFETY

The conference agreement requires the Secretary, in consultation with specified Federal and State agencies and professional groups, to establish Federal minimum standards for (a) accreditation of educational programs to train individuals to perform radiologic procedures, and for (b) certification of persons (other than physicians, dentists, and certain other practitioners) who administer radiologic procedures.

The Secretary also would be required to provide a model state law for radiologic procedure safety and to promulgate Federal radiation guidelines with respect to radiologic procedures (to minimize unnecessary radiation exposure).

Inadequate training or ability of persons administering radiologic procedures is not the sole cause of the public's unnecessary exposure to radiation in the healing arts. Faulty radiation equipment, defensive medicine, economic incentives, and unnecessary screening programs also contribute to unnecessary exposure. However, the Senate amendment was based on the belief that exposure will be substantially reduced if radiologic procedures are only performed by trained and qualified persons.

In recognition of the antipathy of the States to receipt of Federal funds being conditioned upon compliance with Federal directives, the Senate amendment did not incorporate any penalty or condition of participation requirements in the Act. However, the amendment was based on the assumption that the States would fully comply with the legislation within the specified three-year time period.

The managers are aware of the substantial work that already has been done by the Health Resources Administration and the Food and Drug Administration in the development of standards for radiologic personnel and for the provision of radiologic services. Adequate resources should be made available to these and other appropriate agencies to allow their continued collaboration in the implementation of the new legislation.

Concerning the section dealing with the promulgation of Federal radiation guidelines, the Secretary is directed to consult with suitable professional societies of physician specialists and other radiation scientists when defining the kinds of guidelines that might be appropriate for Federal programs relating to medical radiation, imaging, or therapeutic applications.

ALCOHOL ABUSE, DRUG ABUSE AND MENTAL HEALTH SERVICES

House Bill

Section 6231 of the House bill consolidated four categorical alcohol and drug abuse programs into a single State block grant for alcohol and drug abuse services.

The authorization of appropriations in fiscal year 1982 for community mental health services is contained in the Community Mental Health Centers Act and the Mental Health Systems Act. These authorizations were unaffected by the House bill.

Senate Amendment

Section 1104-3 of the Senate amendment consolidated Federal appropriations for community based mental health and drug and alcohol abuse programs in a State Health Services Block Grant. Specific protections were included to assure continued support for community based mental health services and protections were accorded existing community mental health center grantees for a period of two years.

Conference Substitute

Part B of the conference substitute establishes a new Federal block grant program to assist States in providing alcohol, drug abuse and mental health services to its residents. The substitute authorizes appropriations of $491 million in fiscal year 1982, $511 million in fiscal year 1983 and $532 in fiscal year 1984.

STATE ALLOTMENTS

The conference agreement provides that an individual state's allotment should be determined through a two-part formula. The conferees hope reliance upon this formula will minimize any disruptions that might arise in converting previously categorical grant programs to a block grant mechanism.

The conferees' substitute requires that the allotment for a given state in Fiscal Year 1982 will be related to the amount of Federal funds received by the State and entities in the State for alcohol and drug abuse services in Fiscal Year 1980 and the amount of Federal funds the state and entities within the state would have received in Fiscal Year 1981 for mental health services under the provisions of Public Law 96-536.

The conference agreement establishes Fiscal Year 1980 as the base year for determining a State's proportional allotment for alcohol and drug abuse services due to the impact of Fiscal Year 1981 recissions on alcohol and drug abuse formula and project grants and contracts. In addition, the absence of timely and accurate estimates for State alcohol and drug abuse allotments under Public

Law 96-536 precludes the use of Fiscal Year 1981 as a base year for calculating a State's allotment for alcohol and drug abuse services.

The conference agreement establishes the appropriations for mental health services under the Community Mental Health Centers Act and the Mental Health Systems Act in P.L. 96-536 as the most appropriate base for the distribution and allocation of funds under this part. The Conferees believe that the Secretary's estimates of how these funds would have been distributed among States are sufficiently reliable to allow the creation of meaningful proportions and allocations of funds.

The conferees anticipate that this two-part formula will result in national allocations for mental health and substance abuse programs which are approximately equal.

The conferees believe reliance upon a state's receipt of past Federal funding is an appropriate method for minimizing program disruption in the transition from categorical project grants to State-run block grants. The conferees recognize that there have been inadequacies in the historical allocation of Federal drug and alcohol abuse and mental health services monies among the States. The conferees hope a more equitable formula can be developed and have required the Secretary of the Department of Health and Human Services to prepare and submit a report to the Congress on suitable options no later than October 1, 1983.

In Fiscal Year 1982, the conference substitute requires the State to spend its allotment to support community-based mental health and substance abuse services in a manner that is proportional to the way Federal funds were used to support these services in the relevant base years. In Fiscal Year 1983, 95% of a State's allotment and in Fiscal Year 1984 85% of a State's allotment must be obligated in the above manner. In the case of each such fiscal year, the remainder of a State's allotment may be used for any purpose authorized under the block grant.

ALCOHOL AND DRUG ABUSE SERVICE

The conference substitute requires the chief executive officer of the State to certify compliance with certain statutory protections for drug and alcohol abuse services and activities. The conferees have adopted the allocation strategy for drug and alcohol abuse services contained in §1204(c) of the House bill which provides that of the total appropriation received by each state for alcohol and drug abuse services, at least 35% must be used for drug abuse services and at least 35% for alcoholism and alcohol abuse services. This earmarking strategy will nevertheless allow state discretion in allocating a substantial amount of the total grant. Thus, the conferees' proposal provides much needed state flexibility to allocate funds between drug and alcohol abuse programs while preserving the basic integrity of discrete programs.

With respect to prevention, the conferees are concerned about the lack of a broad and sustained effort at the Federal and state level to promote, develop and maintain programs and activities to discourage the abuse of alcohol and other drugs. The conferees believe that a statewide program of alcohol and drug abuse services cannot be effectively conducted without a comprehensive and

highly visible prevention component. The conferees recognize that States will be under pressure to discontinue current prevention activities in order to restore losses experienced by treatment programs due to reductions in Federal funding. Nevertheless, the Committee believes it is in the interest of a strong public health policy that states be responsible for the development and maintenance of statewide prevention activities as a requirement for receipt of Federal funds. If states are to be granted a larger role in the management of Federal alcohol and drug abuse funds through the block grant mechanism, they must also assume increased responsibility for developing health promotion activities to discourage the abuse of alcohol and other drugs. The Committee believes prevention programs and activities are the best hope for one day reducing the enormous social and financial costs associated with the abuse of alcohol and other drugs. The conference substitute requires that of funds available to a state for drug and alcohol programs, no less than 20% be allocated for prevention and early intervention programs and services.

MENTAL HEALTH SERVICES

The Conference substitute also provides for mental health services to be funded by allotments to States.

The conferees intend that the States, in using the funds provided to them, emphasize outpatient care for the chronically mentally ill and those at risk of becoming chronically mentally ill.

The conference agreement also contains protections for CMHC's which have received funding and which are still eligible to receive grants. States are required to agree to fund such a center unless it fails to provide a mandated service or has engaged in a substantial misuse of funds. While there is no minimum grant required for such centers, the conferees do not intend that this provision be used as a "backdoor" means of defunding centers.

The conferees also expect that demonstration funds will continue to be directed toward community support programs for the chronic mentally ill.

The conference agreement authorizes the Secretary to provide technical assistance to States for activities such as developing standard measures of quality and preformance of community mental health centers as well as manpower development and inservice training for personnel providing services to the mentally ill.

In addition to the specific requirements for funding various activities indicated above, the conference agreement requires States to certify that they will establish (1) reasonable criteria to evaluate the effective performance of entities which receive funds under the block grant, and (2) procedures for substantive independent State review of failure to provide funds to entities which had previously received funds under this block grant or under the Federal categorical programs that have been included in the block grant.

As part of the application process, the State must also certify that it has identified those populations, areas and localities in the State with a need for preventive health and health services. It is the intent of the Conferees that the State provide a fair method for allocating its allotment in accordance with the needs of its population, areas and localities as determined under this assessment.

In addition, it is the intent of the Conferees that the State provide for an equitable geographic distribution of monies provided under the block grant.

Federal funds provided under the block would have to supplement and increase the level of State, local and other non-Federal funds that would have been expended in the absence of the block grant funds for such programs and activities and may not supplant such expenditures.

States are also required to establish the fiscal control and fund accounting procedures necessary to assure the proper disbursal of an accounting for Federal funds received under the block grants and to prepare, at least once a year, an independent audit of funds received. In so far as practical, this audit should be done in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. In addition, the Comptroller General is required to evaluate, from time to time, the expenditure by States of funds received, in order to assure that they are consistent with the provisions and requirements of the block grants.

The Conferees feel that these various features of the Alcohol & Drug Abuse and Mental Health Block Grant address the problems of inflexibility, lack of coordination, redundancy and burdensome regulation which characterized some parts of the categorical grant system, but at the same time address genuine concerns over State accountability without detracting from the State's authority to allocate block grant funds. The various requirements specified for the block grant are meant to be definitive and are intended to establish explicit boundaries for the Federal role in these programs.

The bill also provides for withholding power for the Secretary. The Conferees intend that this authority be used by the Secretary to ensure that all expenditure by States and entities receiving funds from States are directed to the intended beneficiaries of the services programs and in accordance with the requirements of the part and certifications provided by the State. The Secretary could do so, however, only after adequate notice and an opportunity for a hearing conducted within the State and after the Secretary has conducted an investigation. The Secretary could not withhold funds from a State for a minor failure to comply with the requirements and certifications of the block grant and would have to respond in an expeditious manner to complaints of a substantial or serious nature that the State has failed to comply.

In addition, the Secretary is required to conduct in several States in each fiscal year investigations of the use of funds received by the States under the Alcohol and Drug Abuse and Mental Health Services Block Grant. The Comptroller General is also authorized to conduct such investigations. States would be required to make appropriate books, documents, papers, and records available for such investigations and to permit any reasonable request for examination, copying, or mechanical reproduction, on or off the premises, of such papers and records. However, the Secretary or Comptroller General could not request any information not readily available to the State or entity and could not make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

The Conference agreement provides for criminal penalties for false statements made with regard to services or items funded with the block grant funds.

The application and certification process under this block grant has been greatly streamlined. The Secretary is prohibited from prescribing the manner of compliance with the certification process. This prohibition is intended to avoid complex pre-award review by the Secretary. The Conferees do not, however, intend that this prohibition preclude the Secretary from carrying out his duties to ensure that the allotments are spent in conformity with the law.

The Conference agreement requires States to prepare annual reports on its activities under the block grant. These reports would be in such form and contain such information as the Secretary determines to be necessary (A) to determine whether funds were expended as required by the block grants and consistent with the needs of the State; (B) to secure a description of the activities of the State; and (C) to secure a record of the purposes for which funds were spent, of the recipients of funds and the progress made toward achieving the purposes for which the block grant was awarded to the States. However, in determining the information which must be included in this report, the Secretary may not establish reporting requirements that are burdensome.

Subtitle G—Health Planning

The House bill reduced the authorizations for Health Systems Agencies (HSAs) for fiscal year 1982 to $90 million and made a number of revisions in the statutory authority for the health planning program. The Senate amendment did not include specific authorizations or any revisions to current authority, but provided for an overall authorization for programs managed by the Health Resources Administration which assumed that expenditures for HSAs would not exceed $7 million in fiscal year 1982.

The conference agreement authorizes $102 million for HSAs, State agencies and planning centers in fiscal year 1982 of which not more than $65 million is to be expended for HSAs. A number of amendments to the statutory authority are included in the agreement.

AUTHORIZATIONS

The conference agreement reduces authorizations for HSAs, state agencies and centers for health planning for Fiscal Year 1982 to $102 million and provides that not more than $65 million of this amount may be expended for HSAs.

With an appropriation of $65 million or less it is clear that the Federal government will no longer financially sustain all the statutory obligations placed upon local planning agencies. If any health service area in which funding is not adequate to support an effective HSA, the committee expects that the Secretary will not renew the designation of the HSA. In such cases, the Governor may propose to the Secretary, under the provisions of Section 1511, a consolidation of the affected area with one or more other areas.

Consistent with the reduced authorization levels, the conference agreement reduces the minimum grant for HSAs from $245,000 to

$100,000 and allows HSAs to accept contributions from health insurance companies. The term "health insurance" is meant to include all forms of third party payment for health care; *e.g.*, service prepayment plans as well as indemnity plans. This provision complements the existing provision allowing major employers, whether self insured or otherwise, to contribute to HSAs.

The agreement also allows the Secretary to waive by regulation or on a case by case basis for any or all HSAs, the current requirements for conducting appropriateness review, proposed use of federal funds review, and the collection and publication of data on hospital costs.

STATE HEALTH PLANNING

The proposed amendment to Section 1536 would allow any Governor of a State to request that the Secretary eliminate the Federal designation and funding of HSAs located within that State. The Governor must apply to the Secretary by November 1 of the fiscal year in which the change is to take place. Such application must certify that the State is willing and able to carry out the purposes of the planning program without HSAs in the State. It is expected that, when a Governor makes such a certification by November 1, the State Health Planning and Development Agency in that State, in its next grant year, will begin to handle its health planning activities with the advice of a Statewide Health Coordinating Council (SHCC) constituted according to current regulations for SHCCs in 1536 States. The conferees have selected November 1 as the deadline for application for 1536 designation in order to allow HSAs to receive their FY 82 grants without disruption of their established funding cycle.

The conference agreement provides for the states which currently have 1536 designations—Rhode Island and Hawaii—and states with less than 600,000 population and only one HSA—Vermont, Delaware and Wyoming—to share in funds appropriated under section 1516 for HSAs.

CERTIFICATE OF NEED REQUIREMENTS

The conference agreement extends for 12 months the time for imposition of any penalties on States not in compliance with the CON and other Federal requirements. Given the current status of the program, it is not resonable to retain the current deadline for the exercise of sanctions on non-complying states.

The agreement also changes the Federal minimum requirements for CON programs by eliminating the need to review many projects now being reviewed by the planning agencies. Currently the law requires review of any new capital expenditure of $150,000 or more, or the purchase of any major medical equipment of $150,000 or more, or the start of any new institutional health service whose annual operating costs equal $75,000 or more. The agreement would change those thresholds to $600,000, $400,000, and $250,000 respectively. These changes will promote focusing the resources available for CON reviews on the most expensive and future cost-generating new investments in medical care.

TITLE X—ENERGY AND ENERGY-RELATED PROGRAMS

SUBTITLE A—DEPARTMENT OF ENERGY AUTHORIZATIONS

In the Omnibus Budget Reconciliation Act of 1981, the Conferees from the Senate Committee on Energy and Natural Resources, the House Committee on Energy and Commerce, the House Committee on Interior and Insular Affairs, and the House Committee on Science and Technology took a common approach in the formulation of their recommendations regarding authorizations for the Department of Energy. The agreement is to establish limitations by appropriation account for programs of the Department of Energy for fiscal years 1982, 1983, and 1984. Where substantial changes were made in the policy assumptions behind the budget proposed by President Reagan, they are discussed herein. The limitations on fiscal years 1983 and 1984 appropriations were established by a projection of the fiscal year 1982 recommentations on a basis of the policy established herein for fiscal year 1982. Changes in the assumptions behind these projections will be considered by the Congress during review of the fiscal year 1983 and 1984 budgets, and in its action on associated authorization bills. In the case of certain appropriations accounts (Energy Supply Research and Development, Energy Conservation, and Uranium Supply and Enrichment Activities), the authorizations for different programs within those accounts appear in two or more chapters of the subtitle. The authorizations are additive.

Fiscal year 1983 and 1984 authorization ceilings

The conference report establishes out-year authorization ceilings which limit individual appropriations accounts for fiscal years 1983 and 1984. The conference report out-year ceilings specifications follow the current format for appropriations accounts, except for Departmental Administration where funds for operating expenses and for plant and capital equipment expenses were combined.

Where changes were made from the Administration's request for a particular appropriations account for fiscal year 1982, the resulting change in activity was projected into future years to arrive at a new appropriations limitations ceiling. For instance in the energy supply R & D PACE account the amounts for projects added to the budget in fiscal year 1982 were included with the Administration's projected levels to arrive at the amounts specified for the fiscal years 1983 and 1984. As indicated in the conference report, out-year ceilings for some accounts such as uranium supply and enrichment activities represent the aggregate of all the program activities independent of the fact that the funds are research and development as well as commercial services. The operating expenses for fossil energy research and development decline in out-years consistent with the Administration's general policy even though the numbers for each of the three years exceed the Administration's proposed level of expenditure.

GENERAL SCIENCE AND RESEARCH

Operating expenses (Sec. 1001(1))

Within the Nuclear Medicine Program $600,000 is redirected from life sciences to nuclear medicine for construction of a prototype imaging device ($400,000) and for research in neutron capture therapy ($200,000).

energy supply research and development (sec. 1001(2))

Deferred funds

Operating expenses.—The total authorized budget authority for fiscal year 1982 was $2,159,148,000. These funds include $2,057,460,000 in new budget authority and $101,688,000 in funds deferred from fiscal year 1981.

Plant and capital equipment.—The total authorized budget authority for fiscal year 1982 was $406,779,000. These funds include $370,132,000 in new budget authority and $36,647,000 in funds deferred from fiscal year 1981.

Construction

Construction projects initiated in prior years are authorized for fiscal year 1982 at levels listed in the budget documents submitted to the Congress in support of the fiscal year 1982 budget (February, 1981—DOE/CR-0011/3) except as provided in Title X. Appropriations for such projects falls within the aggregate amounts authorized for the relevant appropriations accounts. New construction projects are also authorized in fiscal year 1982 within the aggregate amounts authorized for the relevant appropriations accounts.

Authorization limitations are established at the total current estimated costs of new projects as presented in the budget documents submitted to the Congress for fiscal year 1982. Appropriations are limited, however, in fiscal year 1982 to those levels requested for that fiscal year. The Department is directed to continue to make an annual request for authorization for appropriations for projects so that they may be reviewed by the appropriate committees of the Congress.

SOLAR ENERGY

Operating expenses.—In the photovoltaic energy systems subprogram, the Federal government should take steps to maintain the cost reduction objectives of P.L. 95-590, the "Solar Photovoltaic Energy Research, Development and Demonstration Act of 1978". The funds for FY 1982 are available for purposes of P.L. 95-590 as well as the cost-shared 1 MWe Sacramento Municipal Utility District project. Funds are included within the total authorization to implement a decision on the Southeast Regional Residential Experiment Station.

In the solar thermal energy systems subprogram, $8.6M would be shifted from Research and Advanced Development to Technology Development for central receiver and parabolic dish systems.

The conference has provided $6M for cost-shared repowering project designs and directs the Department to expedite release of the Program Opportunity Notice. Of the funds authorized for appropriations in the solar thermal program, the Department is directed to provide up to $4M for the 5MWe Crosbyton solar hybrid electric power project, in Crosbyton, Texas. However, no funds are authorized to be obligated or expended for this project unless the fossil-fired portion of the project, including the fuel costs during the operational period, is privately funded. The Senate Conferees are concerned that no recent cost estimates or Departmental project evaluations are available for this project. These should be completed and made available to the appropriate Committees of Congress no later than December 31, 1981.

The $48.8 million authorization level for the Wind Energy Systems program will assist in achieving the goals of Public Law 96-345 the Wind Energy Systems Act without the need for the financial assistance and commercialization activities called for in the Act. The recommendation contains $18M for the continuation of a parallel MOD-5 program with the requirement that cost-sharing of at least 50/50 will be required from each of the two contractors and/or utilities for the completion of design, fabrication and installation of three MOD-5 wind turbines by each contractor. The Department should continue a reasonable level of activity on vertical axis machines to maintain a broad technology base for the program.

The fiscal year 1982 DOE request proposed to terminate the Federal support for the ocean thermal energy conversion program, despite the requirements of Public Law 96-320. The OTEC program will be continued in FY 1982. This total authorization of $25M includes $6.3 million in construction expenses and $700,000 in capital equipment for Phase I and commencement of Phase II design activity for a 40 MWe OTEC pilot plant. These funds are not available for activities beyond Phase II. This total OTEC authorization is not in addition to existing authorization contained in Public Law 96-310. Of the funds available for the OTEC pilot plant Program Opportunity Notice, the Department should fund as many proposals as feasible. The Conference recommendation retains the non-OTEC program activities. The transfer of the OTEC-1 to the State of Hawaii in order to offset the costs of completing the Seacoast Test Facility is recommended.

Geothermal

Operating Expenses.—Operating funds are included for the Raft River project and for the second 50 MWe geothermal demonstration project at Heber, California.

Plant.—The Conferees authorized $7M in new budget authority for project 80-G-2, the second 50 MWe geothermal demonstration project. The total budget authority available to the project in fiscal year 1982 is $11M, which includes $4M of funds deferred in fiscal year 1981.

Operating expenses

Conventional reactor systems.—The agreement provided $38M for high temperature reactor technology for establishment of a HTGR lead plant project including the development of materials and components as described in the House report, and for continued international cooperation.

Breeder reactor systems.—The Clinch River Breeder Reactor project is funded at $228 million. This technology demonstration plant, as set forth in the existing project arrangements, is a key step in the development of the Liquid Metal Fast Breeder Reactor. The conferees intend that the plant should be constructed in a timely and expeditious manner, so that a decision on the commercialization and deployment of breeder reactors can be made on the basis of information obtained in the operation of the plant. The plant should therefore be constructed on the basis of that objective, and not on the basis of providing needed power in the specific region of the Clinch River site.

Water-cooled breeder.—Funding for the Water-Cooled Breeder Reactor program is reduced by $13M and further the DOE is directed to remove the LWBR core in fiscal year 1983 to assure an orderly termination of the Shippingport subprogram by the end of that fiscal year so that the private sector can make a decision on commercialization of this approach.

Fuel cycle R&D.—In view of the need for LWR reprocessing technology, $8M was added to the request to carry out the program outlined in the House report. The breeder fuel cycle program is funded at the request level; $4M is provided for the thorium fuel recycle program outlined in the House report. However, the Conferees suggested that the Department provide an analysis of reprocessing R&D and technology demonstration needs for all reactor types with appropriate priorities for each and a program plan. This report should be submitted to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources by January 31, 1982. The Conferees believe that the Barnwell facility offers a unique opportunity to conduct RD&D in irradiated fuel reprocessing and recommend $10M for continued R&D of which no more than $6M shall be utilized for R&D and testing at Barnwell.

Three Mile Island.—None of the funds authorized for research and development activities under this Act may be used for releasing any radioactively contaminated water from the Three Mile Island nuclear station reactor no. 2 into the Susquehanna River or its watershed.

Capital Equipment.—A total of $53.3M is authorized which includes $2M for the HTGR subprogram.

Construction.—Additional authorization of $17.8M above the Administration fiscal year 1982 request is provided for Project 78-6-F. This additional amount was the level requested in the fiscal year 1981 supplemental request. The action of the Conference is to offset the additional authority request by amounts deferred into fiscal year 1982 for the Energy Supply R&D PACE (Plant and Capital Equipment) account.

*Advanced isotope separation**

Although it is intended that a process selection should not be made until fiscal year 1983, there should be an optimum use of funds in the program and the Department is urged to chart a development strategy aimed at expeditious determination of the engineering feasibility of this technology for uranium enrichment.

Small-scale hydropower

Funding of $2M is provided to sustain a continuing federal involvement in R&D as outlined in the House report.

Electric energy and energy storage systems

Electric Energy Systems.—A total of $24.6M is provided for Electric Energy Systems with increases in systems architecture, power delivery (including $1.5M for domestic development of a submarine cable for use at great depth in Hawaiian waters), and storage applications (including $2M for the BEST Facility) as delineated in the House report.

Energy Storage Systems.—An additional $3M is provided to maintain an aggressive program.

Magnetic fusion energy

Within the authorized $320.7 million operating budget, $12.7 million is to be allocated for the Mike McCormack Fusion Materials Test facility (formerly FMIT), and $14.15 million is to be allocated for the Center for Magnetic Fusion Engineering subprogram.

The Conferees believe that an industrially managed Center for Fusion Engineering (CFE) should be established at least two fiscal years prior to a commitment to the next major construction project (e.g. Fusion Engineering Device (FED)) in order to allow a smooth transition of technical information and manpower from existing organizations.

Environmental R&D

The following changes were made within the President's fiscal year 1982 budget request in environmental research and development. The Environmental Assessment Program is decreased by $6,000,000,000 to eliminate unnecessary studies; the Human Health Program is increased by $400,000 to permit additional research on inhalation toxicology; the Health Effects Biology Program is increased by $1,100,000 for study of the health effects of synthetic fuel-related pollutants ($900,000) and for the large animal pulmonary biology ($200,000); the Environmental Studies Program is increased by ($3,500,000 to restore funding for research in land reclamation ($2,900,000) and for environmental studies on synfuel pollutants ($600,000); the Physical and Technical Studies Program is increased by $1,000,000 for research and monitoring synfuel-related pollutants. The Action taken on the land reclamation research program is not meant to prejudice the proposed transfer of this program in any way, however, a timely resolution of the proposed action is expected so that on-going research will not be adversely affected.

* Funded from uranium enrichment Appropriation account.

SUPPORTING RESEARCH

Plant

Multi-program General Purpose Facilities. This program is authorized at the level of the Administration's request. Projects previously approved in this category by the Authorizing Committees have, in some cases, been modified in their scope by the Department in the fiscal year 1982 request. It is expected that projects considered and funded in previous years will be completed as originally proposed. For example, Project 1981-E-325 was approved as a three component facility including light lab offices, a heavy lab, and a technology transfer center. The fiscal year 1982 request reflects only the light lab office facility. The project should be completed as originally envisioned.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

The Committee wishes to make clear that the Geothermal Loan Guarantee program, which was authorized by Public Law 93-410 as amended by Public Law 95-238, remains in effect regardless of the availability of funds for a reserve account in anticipation of default. Any actions reducing the availability of default funds will not revoke the Secretary's basic authority to commit to guarantees. The Department should continue to implement the loan guarantee program.

Fossil energy research and development (Sec. 1001(5))

The coal mining and preparation programs were reduced $4M from the President's request. The conferees are concerned about the uncosted balance of over $100M in the mining activity. If the decision is made to transfer the mining activity to the Bureau of Mines in the Department of Interior, the coal preparation program is to remain with the other coal research and development programs in the Department of Energy.

Within the funds provided for the coal liquefaction programs an additional $10M is available for the H-coal pilot plant at Cattlettsburg, Kentucky. Also, within the amount for coal liquefaction, funds are available for the orderly close out of the SRC pilot plant at Fort Lewis, Washington. If the flash hydropyrolysis liquefaction project is terminated, the funds are directed to be used for the development of the flash hydropyrolysis gasification project within the surface gasification program.

Within the total provided for the surface coal gasification program, $8M is available for the Bi-Gas pilot plant and a total of $7M is available for the low btu fluidized bed gasifier at Waltz Mill, Pennsylvania. Further, funds are to be used for continuation of the molten salt gasification process and the peat gasification program.

Within the funds available for the combustion systems program, $9M is available for continuation of the International Energy Agency Project for Pressurized Fluidized Bed Combustion at Grimethorpe, England. Further, additional funds are made available to pursue conversion of the waste residues at the atmospheric fluidized bed project in Shamokin, Pennsylvania.

The increase in funds for the fuel cell program will enable the Department of Energy to reorder its priority within the program to

enhance the electric utility applications of phosphoric acid fuel cell technology. A total increase of $11.4M is available for the phosphoric acid activities. These funds should be utilized to complete the 4.8MWe power plant experiment at the Consolidated Edison site in New York City and to expedite the design and component testing efforts in the phosphoric acid fuel cell electric utility program. The funds are intended to support the development of several competing versions of phosphoric acid fuel cells and and should emphasize using alternative domestic fuels such as coal-based methanol. The molten carbonate fuel cell activity was reduced by $4.1M.

The Magnetohydrodynamic research and development authorization for fiscal year 1982 should be utilized by the Department of Energy to maintain a vital MHD development program consisting of the essential program elements. Engineering development (with industrial participation) of the coal combustor, the MHD generator and the downstream plant must continue at the major MHD test facilities.

The Light Oil subactivity was authorized at the level of the Administration request.

Funds were authorized within the oil shale activity to continue the cost-shared in situ demonstration program for in situ conversion, including funds for the Department's supporting research for evaluating both fracturing and retorting processes.

In the enhanced gas recovery program additional funds are available to complete the Eastern Mineback Facility, permit the startup of a stimulation test in the Eastern Devonian Shales and also permit mineback rock fracturing tests in the western tight gas sands. These funds also provide for development of advanced diagnostic instrumentation and field testing of instruments.

Construction

The Managers believe that the SRC–I project should be continued with deferred funds from fiscal year 1981, and the $135 million made available by the Supplemental Appropriations Act should be used toward completion of the detailed engineering design of the project. The Manager's decision not to authorize funds specifically for use in fiscal year 1982 beyond the $135 million is not to be construed as a diminished interest in the project, but rather a realization of the budgetary constraints for that fiscal year.

No construction funds for the SRC–I demonstration project are included in the authorization ceilings limiting appropriations for fiscal year 1983 and fiscal year 1984. The action does not reflect a decision on future funding for the project; funding in fiscal year 1983 and fiscal year 1984 will require specific action by the Congress. If additional funding is provided for the SRC–I project in these years, then the ceilings will be adjusted upward to reflect that action.

CONSERVATION RESEARCH AND DEVELOPMENT

Funds are provided to continue the community systems activity with special emphasis on district heating.

The industrial energy conservation program is continued. The funds provided will continue the projects in the waste energy reduction activity, industrial process efficiency activity, and the industrial congeneration activity.

In transportation, the Conferees agreed to $34,800,000 for Vehicle Propulsion R.D. & D., to continue the proof-of-concept development of both the advanced Stirling and gas turbine engines and to provide for continued supporting research in vehicle systems.

The Conference Managers intend that the Department should allocate appropriated funds among the various activities and subactivities as described in the following tables, for fiscal year 1982. The status of expenditures in these categories and proposed modifications should be transmitted to the authorizing Committees of the Congress in a manner similar to reports made to the appropriating Committees.

FOSSIL ENERGY

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Coal:			
Coal Mining & Preparation	40,169	21,000	17,000
Coal Liquefaction	184,497	105,200	113,200
Surface Coal Gasification	69,618	53,400	56,300
In-Situ Gasification	9,960	8,300	8,300
Adv. Rsrch & Tech. Dev	51,483	60,100	54,100
Adv. Environ. Control Tech	32,587	26,400	22,400
Heat Engines & Recovery	31,468	15,600	15,600
Cumbustion Systems	37,368	27,800	31,800
Fuel Cells	32,012	28,600	35,900
Magnetohydrodynamics (MHD)	66,533	0	29,000
Program Direction	10,818	12,520	10,075
Subtotal, Coal	566,513	358,960	393,675
Oil and Gas:			
Enhanced Oil Recovery	16,158	20,100	20,100
Oil Shale	32,151	16,250	22,350
Drilling & Offshore Tech	2,009	0	0
Adv. Process Tech	3,528	3,700	3,700
Program Direction	1,475	1,620	1,225
Subtotal, Oil	55,321	41,670	47,375
Enhanced Gas Recovery	30,098	10,000	14,000
Program Direction	415	460	300
Subtotal, Gas	30,513	10,460	14,300
Total, Operating Expenses	647,533	411,090	455,350
Capital Equipment:			
Coal	4,600	3,800	3,000
Oil	2,470	2,250	2,250
Gas	500	200	200
Total, Capital Equipment	7,570	6,250	5,450
Construction:			
Prior-Year Projects: 80-FE-11,PFB Comb. Cycle Plant		11,000	11,000
New Construction:			
82-F-505, Plant Projects		6,000	6,000

FOSSIL ENERGY—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
82–F–506, Surface Water Containment		1,000	1,000
Total, Construction	333,900	18,000	18,000
Total, Fossil Energy	993,817	435,340	478,960

SOLAR ENERGY

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Active & Passive Solar Technology	71,550	21,100	19,400
Photovoltaics	144,600	55,900	93,650
Solar Thermal	102,170	42,650	59,500
Biomass	30,900	19,500	19,500
Wind	75,400	19,200	47,800
Ocean Thermal	33,900	0	18,000
Alcohol Fuels R&D	18,000	10,000	10,000
Program Direction	6,786	4,000	4,000
Subtotal	483,306	172,350	271,850
Certain Solar:			
Solar International	10,800	4,000	*4,000
Solar Information	1,400	6,700	*6,700
Subtotal, Other Solar	12,200	10,700	10,700
Total, Operating Expenses	495,506	183,050	282,550
Capital Equipment	16,550	10,250	10,250
Construction:			
Prior-Year Projects:			
80–ES–19, 250 KW, Small Community Solar Thermal Power Plant		0	4,000
81–ES–1, OTEC, 40 Megawatt Pilot Plant		0	6,300
Total, Construction	39,350	0	10,300
Total Solar	551,406	193,300	303,000

*This amount is contained in Chapter 4 of the Conference Report.

GEOTHERMAL

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Hydrothermal Industrial	50,000	2,124	2,124
Geopressured Resources	35,600	20,336	20,336
Geothermal Technology Dev	48,806	19,576	19,576
Program Direction	1,400	1,600	1,600

GEOTHERMAL—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Total, Operating Expenses	135,800	43,636	43,636
Capital Equipment	1,310	863	863
Construction:			
Prior-Year Projects:			
80–G–1, Geothermal Demo Valles Caldera, NM	10,911	3,876	3,876
80–G–2, 50 MWe Geothermal Binary Demo, Heber, CA	[1] 4,000	0	[1] 11,000
Total, Construction	14,911	3,876	14,876
Fiscal year 1981 Deferral	4,000		−4,000
Total, New Construction B/A	18,911	3,876	10,876
Total, Geothermal	156,021	48,375	55,375

[1] Reflects fiscal year 1981 deferral of $4 million for 80–G–2, Geothermal Binary Demo, Heber, CA.

SMALL-SCALE HYDROPOWER

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Research and Development	6,409	0	1,750
Program Direction	789	0	250
Subtotal, R&D	7,198	0	2,000
Other Hyropower:			
Demonstration	0	0	*1,000
Feas. Studies Loan Prog.	−4,000	0	0
Subtotal, Other Hydropower	−4,000	0	1,000
Total, Hydropower	3,198	0	3,000

*This amount is contained in Chapter 4 of the Conference Report

NUCLEAR FISSION

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Conventional Reactor.			
HTGR	38,000	0	38,000
Other Reactor Programs	39,500	58,800	54,550
Program Direction	1,465	1,500	1,500
Subtotal, Conventional Reactors	78,965	60,300	94,050
Civilian Waste Mgt	178,185	214,774	194,124
Spent Fuel Storage	6,013	6,417	6,417
Adv. Nuclear Systems	37,881	35,100	35,100
Breeder Reactor Systems:			
LMFBR	412,469	566,700	540,686
Water-Cooled Breeder	59,000	57,000	44,000

NUCLEAR FISSION—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Program Direction	11,181	10,574	10,574
Subtotal, Breeder	482,650	634,274	595,260
Fuel Cycle R&D	42,100	23,000	45,000
Total Operating	825,794	973,865	969,951
Other Fission:			
Civ. Waste Mgt. West Valley	5,000	12,800	*9,800
Licensing/Supporting Studies	3,400	3,500	*3,500
Spent Fuel, Non-R&D	3,500	0	0
Total, Other Fission	11,900	16,300	13,300
Total, Fission Operating	837,694	990,165	983,251
Capital Equipment:			
Research and Development	36,250	53,343	53,343
Other Fission Capital Equipment (Waste Mgt.)	0	200	*200
Total, Fission Capital Equipment	36,250	53,543	53,543
Construction:			
Prior-Year Construction:			
78-6-c, SAREF		8,000	8,000
78-6-e, ETEC		4,900	4,900
78-6-f, FMEF	[1] 17,800	24,200	[1] 42,000
New Construction:			
82-N-310, Mods. to Reactors		2,000	2,000
82-N-312, GPP		11,000	11,000
82-N-315, GPP, Waste		1,100	1,100
Total, Construction	76,526	51,200	69,000
Fiscal year 1981 Construction Deferrals			−17,800
Total, New Construction B/A	76,526	51,200	51,200
Totals:			
Fission R&D	938,570	1,078,408	1,074,494
Fission—Other	11,900	16,500	*13,500
Total, Nuclear Fission	950,470	1,094,908	1,087,994

*This amount is contained in Chapter 4 of the Conference Report

[1] This combines the fiscal year 1982 request with the fiscal year 1981 supplemental request, which was provided for in the House Energy and Water Appropriation for fiscal year 1982

MAGNETIC FUSION

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Applied Plasma Physics	65,000	70,400	67,700
Confinement Systems	92,800	133,470	133,470
Development & Technology	59,150	67,650	62,650
Center for Magnetic Fusion Engineering	3,450	9,150	14,150
Planning & Projects	34,500	26,130	38,830
Program Direction	3,117	3,900	3,900
Total, Operating Expenses	258,817	310,700	320,700
Capital Equipment	36,900	42,000	43,000

MAGNETIC FUSION—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Construction:			
Prior-Year Projects:			
76–5–a, Tokamak		40,100	40,100
78–3–a, Mirror Fusion Test Facility		41,500	41,500
78–3–b, Mike McCormack Fusion Materials Irradiation Test Fac	[1] —14,000	0	14,000
80–MF–3, Elmo Bumpy Torus		14,000	14,000
81–T–314, ISX–C Experiment	[2] —2,000	0	3,500
80–MF–4, Large Coil Test Fac		6,000	6,000
New Construction:			
GPP–82, General Plant Projects		5,700	5,700
Total, Construction	82,400	107,300	124,800
Fiscal year 1981 Construction Deferrals	16,000		—15,000
Total, New Construction B/A	98,400	107,300	109,800
Total, Magnetic Fusion	394,117	460,000	473,500

[1] Fiscal year 1981 appropriations deferral of $14 million for 78–3–b, McCormack Fusion Materials Irradiation Test Facility
[2] Fiscal year 1981 appropriations deferral of $2 million for 81–T–314, ISX–C.

ELECTRIC ENERGY SYSTEMS AND STORAGE

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses.			
Electric Energy Systems:			
Syst. Architecture and Integration	19,000	4,100	8,900
Power Delivery	18,500	4,525	12,725
Storage Application	[1] 6,200	0	2,100
Program Direction	923	875	875
Subtotal, EES	44,623	9,500	24,600
Energy Storage Systems:			
Electrochemical (battery)	37,800	25,550	25,550
Physical (thermal & mech.)	31,300	11,850	14,850
Program Direction	1,000	500	500
Subtotal, ESS	70,100	37,900	40,900
Total, Operating Expenses	108,523	47,400	65,500
Capital Equipment	3,200	1,500	1,500
Total, Electric Energy Systems & Storage	111,723	48,900	67,000

[1] Not included in total as this was carried in Energy Storage Systems in fiscal year 1981

ENVIRONMENTAL R&D

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses			
Overview & Assessment:			
Overview Management	5,747	3,000	3,000
Environ Assessment	13,700	12,500	6,500

ENVIRONMENTAL R&D—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Environ. & Safety Eng'g	17,680	16,100	16,100
Oper. & Environ. Safety	9,343	14,000	14,000
Subtotal	46,470	45,600	39,600
Biological/Environmental Rsch.:			
Human Health Research	27,500	31,400	31,800
Health Effects Biol	46,547	46,500	47,600
Environ. Research	28,386	29,800	33,300
Phys. & Tech. Research	30,720	28,400	29,400
CO^2 & Climate	12,934	16,700	16,700
Risk Analysis	3,985	4,000	4,000
Subtotal	150,072	156,800	162,800
Program Direction	10,133	10,700	10,700
Total, Operating Expenses	206,675	213,100	213,100
Capital Equipment	13,740	13,700	13,700
Construction:			
New Construction:			
82–GPP–1, Gen'l Plant Proj		3,000	3,000
82–V–305, Mods to Research		1,000	1,000
Total, Construction	6,400	4,000	4,000
Total, Environment	226,815	230,800	230,800

SUPPORTING RESEARCH

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Basic Energy Sciences	220,994	255,500	255,500
Technical Assess. Proj	9,500	3,000	3,000
University Research Support	11,800	10,600	10,600
Advisory & Oversight Program Direction	3,098	3,311	3,311
Total, Operating Expenses	245,392	272,411	272,411
Capital Equipment: Basic Energy Sciences	15,000	16,900	16,900
Construction:			
Prior-Year Projects:			
Multi-Prog., General Purpose Facilities:			
81–E–309, Plant Rehab		4,000	4,000
81–E–310, Trans. & Dist		5,050	5,050
81–E–317, Roof Replacement		1,000	1,000
81–E–318, Upgrade ORNL		2,800	2,800
81–E–321, Site Facilities		5,550	5,550
81–E–323, Fire Safety		1,800	1,800
81–E–324, Fire Protection		1,000	1,000
81–E–325, Energy Tech. Lab		5,500	5,500
81–ES–11, INEL Facility		5,000	5,000
Subtotal Projects		31,700	31,700
New Construction:			
Multi-Program—General Purpose Facilities:			
82–E–301, 300 Util		1,000	1,000

SUPPORTING RESEARCH—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Construction—Continued			
New Construction—Continued			
Multi-Program—General Purpose Facilities—Continued			
82-E-302, Security Fac		1,500	1,500
82-E-305, Traffic Safety		3,800	3,800
82-E-306, Railroad Mods		2,000	2,000
Subtotal Facilities		8,600	8,600
Basic Energy Sciences:			
82-E-321, Accelerator Improv		300	300
82-E-320, GPP		300	300
82-E-322, High Temp. Mat		3,500	3,500
Subtotal Sciences		4,100	4,100
Total Construction	28,500	44,100	44,100
Total Supporting Research	281,342	333,711	333,711

CONSERVATION

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Buildings & Community Systems:			
Building Systems	22,475	17,547	23,500
Community Systems	13,550	0	4,400
Urban Waste	4,990	9,000	*6,500
Technology & Consumer Products	20,100	0	11,000
Analysis & Technology Transfer	3,800	0	*2,000
Program Direction	6,778	3,100	5,000
Subtotal, buildings and community systems	71,693	29,647	52,400
Industrial:			
Waste Energy Reduction	24,800	0	12,400
Industrial Process Efficiency	17,500	0	8,000
Industrial Cogeneration	16,500	0	5,200
Implementation and Deployment	7,500	0	*4,000
Program Direction	2,600	965	2,465
Subtotal, industrial	68,900	965	32,065
Transportation:			
Vehicle Propulsion R&D	55,400	11,000	34,800
Alternative Fuels Utilization	3,875	5,150	5,150
Electric/Hybrid Vehicle	36,820	19,600	19,600
Program Direction	2,930	1,280	1,600
Subtotal, transportation	99,025	37,030	61,150
State/Local: Energy Extension Service	20,000	0	*15,000
Multi-Sector:			
Energy Conversion Technology	8,000	11,700	9,200
Inventors Program	5,800	5,400	5,400
Appropriate Technology	12,000	0	*5,000
Program Direction	700	190	400
Subtotal, multi-sector	26,500	17,290	20,000
Total, Operating	286,118	84,932	180,615

CONSERVATION—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Capital Equipment:			
Research & Development	3,275	1,003	1,329
Urban Waste	800	100	*100
Total	4,075	1,103	1,429
Total, Conservation	290,193	86,035	182,044

*This amount is contained in Chapter 4 of the Conference Report.,

GENERAL SCIENCE AND RESEARCH

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
High Energy Physics	243,380	290,400	290,400
Nuclear Physics	89,500	99,100	99,100
Life Sciences/Nuclear Medicine	44,000	48,300	48,300
Program Direction	1,135	1,360	1,360
Total, Operating Expenses	378,015	439,160	439,160
Capital Equipment:			
High Energy Physics	37,500	41,700	41,700
Nuclear Physics	9,400	10,500	10,500
Life Sciences/Nuclear Medicine	1,900	2,200	2,200
Total, Capital Equipment	48,800	54,400	54,400
Construction:			
Prior-Year Projects:			
High Energy Physics:			
81–E–218, Tevatron 1		18,000	18,000
79–9–b, Energy Saver		2,600	2,600
78–10–b, Isabelle		21,000	21,000
Nuclear Physics: 80–GS–5, National Superconducting Cyclotron		4,500	4,500
New Construction:			
High Energy Physics:			
82–E–204, GPP		6,000	6,000
82–E–205, Accelerator Improvements		7,000	7,000
82–205–Tevatron 11		6,000	6,000
Nuclear Physics:			
82–E–221, Accelerator Improvements		2,000	2,000
82–E–222, GPP		2,800	2,800
82–E–223, Atlas		4,000	4,000
Total, Construction	82,600	73,900	73,900
Total, General Science and Research	509,415	567,460	567,460

URANIUM ENRICHMENT ADVANCED ISOTOPE SEPARATION TECHNOLOGY

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Adv. Isotope Separation Technology	63,355	79,087	79,087
Program Direction	944	1,205	1,205
Total, operating exp	64,299	80,292	80,292
Capital Equipment	9,000	5,500	5,500
Construction:			
New Construction: 82–N–402, Gen'l Plant Projects		650	*650
Total, Construction	6,945	650	650
Total, Adv. Isotope Separation Technology	80,244	86,442	86,442

*This amount is contained in Chapter 4 of the Conference Report.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Program Direction	192	200	200
Administration of Loan Guarantee Program	1,092	0	0
Total, Operating Expenses	1,284	200	200
Total, Geothermal Resources Development Fund	1,284	200	200

CHAPTER 2—CONSERVATION, INFORMATION, AND REGULATION

Energy conservation (sec. 1005(1))

	thousands
State and Local Programs	$336,000
Other Programs	40,000
Subtotal	376,000
Less Deferral	12,944
Net New BA	363,056

The total program authorization for energy conservation for FY 1982 under this section is $376,000,000. These funds include $363,056,000 in new budget authority and $12,944,000 in funds deferred from FY 1981.

Of the $376,000,000 total for conservation, $336,000,000 is authorized for State and local programs and $40,000,000 for other energy conservation programs.

These authorizations are intended to provide sufficient funds to carry out all statutorily mandated programs. Termination of funds was not recommended for any programs recommended for termination by the Administration.

Programs authorized under the $336,000,000 for State and Local Programs include energy conservation grants for Schools and Hos-

pitals, the Low-Income Weatherization Program, the State Energy Conservation Program authorized under the Energy Conservation and Production Act of 1976 and the Energy Policy and Conservation Act of 1975, and the State emergency planning grants under the Emergency Energy Conservation Act of 1979.

The $40,000,000 for other energy conservation programs provided authorization for the following programs: the Residential Conservation Service; building energy performance standards; appliance energy efficiency; transportation utilization systems; and residential commercial retrofit.

Low-income weatherization

Regarding low-income weatherization, the conferees agreed to delete section 3119(d) of H.R. 3982 which repealed the statutory authority for the DOE low-income weatherization program and in additon agreed to delete a specific FY 82 authorization of $193,436,000 in section 3301(f). The managers wish to state their strong support for continuation of the low-income weatherization program in the Department of Energy and their expectation that within the amount authorized for State and Local Programs, as much as $175,000,000 may be available to continue this important program activity.

The conferees direct the Secretary of Energy, when making a determination pursuant to Section 413(d) of the Energy Conservation and Production Act whether low-income Indian tribe members are receiving benefits equivalent to assistance provided other low-income persons in a State and whether an Indian tribe would be better served by a direct grant to the tribe, to consider carefully any information which an Indian tribe may submit directly to the Secretary for purposes of making the determination required by section 413(d).

Regulation and information (sec. 1005(2))

The authorizations in the Regulation and Information functions are intended to provide sufficient funds to carry out all statutorily mandated programs.

Further, certain areas of concern are identified which indicate relative priorities for the Department in allocating resources to specific programs.

Federal Energy Regulatory Commission	$80,400,000
Economic Regulation (net new BA)	44,600,000
Total program authorization	82,800,000
Less deferral	38,200,000
Net new BA	44,600,000
Energy Information Administration	84,986,000

Economic regulation.—The Conferees agreed to a significant increase in funding for compliance efforts to recover an estimated $10 billion in overcharges and other violations of law. The funding authorized for compliance is intended to carry the program forward to completion and not to be used for any severance pay or annual leave costs associated with reductions in force. The Conferees are committed to an aggressive, fully-staffed compliance program.

In addition, the Conferees have identified $12.2 million as an appropriate level for funding for emergency preparedness in Fiscal Year 1982. The Conferees agree that the $2 million requested by the Department is insufficient to prepare adequately for a potential oil shortage and further agree that the Department should put adequate resources at the disposal of the newly created Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness so that necessary emergency planning can occur. The collection of information for emergency preparedness is considered to be an important element in planning. The Conferees believe that emergency preparedness is a matter of national security and are concerned that the lack of a coherent, effective plan for emergencies could be the Achilles heel of the program for economic recovery.

The Conferees believe that funding in excess of the amount requested by the Administration for utility programs is necessary to insure that sufficient assistance be provided to State public utility commissions and others to implement that authorities contained in the Energy Conservation and Production Act.

Funding is provided for the Fuels Conversion program in order to assure continued and timely issuance of exemptions or prohibition orders.

Energy Information Administration.—Provision of timely and accurate information, independently developed, is one of the important missions of the Department of Energy. Industry, Congress, policy-makers, consumers and scholars are among those dependent upon the information collected, analyzed and published by the Department of Energy.

The Conferees intend to insure adequate funds to continue all of the information programs mandated under various provisions of law.

Specifically, the Conferees have added funds to restore some of the programs assumed to be terminated under the Administration's budget request.

Among others, the Oil and Gas Information System is a vital program, since government has now become the sole collector of reserve data and industry as well as government is dependent on this information.

In the areas where funding reductions occur, the Conferees expect the reductions to be borne by reducing or eliminating outside contracts for work which can, and should, be performed by Department employees.

Federal Energy Regulatory Commission.—The Conferees reduced the funding requested by the Administration by $1.773 million. In so doing, the Conferees acknowledged that reductions in certain areas can be accomplished without impairing the effective operation of the Commission. The Conferees believe that savings can be effected in a variety of activities including contracting and travel and through more efficient personnel management to increase productivity and reduce staff turnover.

In the area of contracting, the Conferees identified funding for several contracts which are no longer necessary. In addition, the Conferees would expect the Commission to rely less upon contract services and more upon Commission employees.

The Conferees believe that improvements in productivity are essential to the effectiveness of the Commission.

Strategic petroleum reserve (Sec. 1005(3))

In addition to funds authorized in Subtitle C for the Strategic Petroleum Reserve, during fiscal year 1982, there is authorized on-budget $366,319,000 for fiscal year 1983 and $364,429,000 for fiscal year 1984 for other than (1) acquisition, transportation, and injection of petroleum products for the Strategic Petroleum Reserve and (2) the carrying out of any drawdown and distribution of the Reserve.

Chapter 3—Power Marketing Administrations

Funds are authorized for power marketing Administration activities for fiscal years 1982, 1983, and 1984 consistent with the Administration's request.

Chapter 4—Other Activities

Uranium enrichment (Sec. 1007(1))

Funding for the uranium enrichment program is consistent with the currently planned completion dates for all phases of the new gas centrifuge facility project, which will provide approximately 8.8 million SWU of additional enrichment capacity. The $68,000,000 reduction in fourth-quarter construction authorization for the new gas centrifuge facility (GCEP, Project 76-8-g) is not intended to delay these completion dates, but is deferred for fiscal year 1982 and incorporated in the uranium enrichment authorization for appropriation in fiscal year 1983, which has been increased $68 million to assure that the project continues on schedule.

The Managers estimate uranium enrichment revenues to total at a minimum $1,805,000,000 in 1982; $2,470,000,000 in 1983, and $2,686,000,000 in 1984.

The amounts authorized to be appropriated for uranium enrichment activities are intended to be offset by program revenues in accordance with section 111(h) of public Law 93-438, as amended. These amounts when reduced by receipt spending authorizations for uranium enrichment activities are intended to total no more than the net amounts requested except as noted for the GCEP facility at Portsmouth, Ohio.

URANIUM ENRICHMENT

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Operating Expenses:			
Gaseous Diffusion Operations & Support	$847,426	$978,900	$978,900
Gas Centrifuge Operations & Support	64,800	81,200	81,200
Program Direction	3,060	3,100	3,100
Total, operating	915,286	1,063,200	1,063,200
Capital Equipment:			
Gaseous Diffusion	24,000	23,600	23,600
Gas Centrifuge	3,300	3,600	3,600

URANIUM ENRICHMENT—Continued

[Dollars in thousands]

	Fiscal year 1981 budget authority	Fiscal year 1982 request	Conference
Total, capital equipment	27,300	27,200	27,200
Construction:			
Prior-Year Projects:			
81-R-503, Utilities Upgrade		17,000	17,000
81-R-504, Supervisory control		7,000	7,000
81-R-506, Env. Protec.		7,000	7,000
80-UE-2, Cont. Water Poll.		4,000	4,000
80-UE-3, Security Improv.		4,000	4,000
80-UE-5, Motor & Switchgear		6,600	6,600
76-8-g, Portsmouth		669,000	601,000
New Construction:			
82-R-410, GPP		17,500	17,500
82-R-411, UF6 Cylinders		11,000	11,000
82-R-412, Cooling Tower Mods		8,000	8,000
82-R-413, Improved UF6		7,100	7,100
82-R-414, Purge & Cascade		9,000	9,000
82-R-415, Fire Alarm		4,700	4,700
82-R-416, Phase 11 Environ. Mods		2,000	2,000
82-R-417, Air Distribution		2,700	2,700
82-R-418, Adv. Centrifuge		6,000	6,000
Total, construction	417,215	782,600	714,600
Total, Uranium Enrichment	1,359,801	1,873,000	1,805,000

Departmental Administration (Sec. 1007(2))

The overall funding level for Fiscal Year 1982 for Departmental Administration will be $246,963,000, with $206,000,000 applicable to operating expenses and $40,963,000 available for plant and capital equipment.

These sums reflect a reduction of $26,068,000 from the total amount requested by the Administration, including a general reduction of $10,371,000 and specific changes resulting in a net reduction of $15,697,000.

It is intended that where budget reductions are implemented, these will occur first by reducing the use of outside contractors. Responsibilities for the administration of the Department are to be carried out to the maximum extent possible by employees of the Federal Government, and not by contractors, thus obviating the need for reductions-in-force.

The following breakdown represents the funding levels agreed upon:

Departmental Administration [In thousands of dollars]

Operating expenses for Departmental Administration activities:	
1. Office of Secretary/Executive Secretary	$3,200
2. General Management	70,054
3. Program Administration	6,249
4. Field Offices	64,738
5. Other expenses, travel and services	150,406
6. Policy Analysis and Systems Studies	5,017
7. International Policy Study	2,250
8. Intergovernmental Affairs	9,365
9. Public Affairs	900

10. Energy Management	4,000
11. Work for others/Inventory changes	55,214
12. Consumer Affairs	240
13. Technical Information Services	12,678
14. Miscellaneous Revenues (less)	−167,900
Total (less revenues)	216,371
General Reduction	−10,371
Total operating expenses	206,000
Plant and Capital Equipment	40,963
Department Adminstration Total	246,963

In order to reach the appropriate funding level, the general reduction of $10,371,000 is to be apportioned between the categories of the Office of the Secretary/Executive Secretary; General Management; and Other Expenses, Travel and Services (items numbered 1, 2 and 5 in above list).

Office of the Secretary/Executive Secretary.—The number of personnel proposed (93 FTP) to staff the Office of the Secretary/Executive Secretary was excessive in light of the reductions faced by the rest of the Department, particularly at the program levels. A portion of the general reduction of $10 million could provide the Department the ability to achieve significant economies in the Office of the Secretary. The Department should maintain separate personnel accounts for the Office of the Secretary and the Office of the Executive Secretary.

Policy analysis and system studies.—There is serious concern about contracts in the area of Policy Analysis and System Studies. Therefore a significant reduction from the Administration request has been made and the Department is expected to manage more effectively the funds authorized for this function to achieve key policy study objectives. Future contracting should be better selected.

International policy study.—In the area of International Policy Studies, there should be a strong analytical, independent policy and technical information development role for the Department in the international arena. This function should not be ceded to any other agency or Department. International Affairs was included as a primary Department of Energy function in the DOE Organization Act. Funding for the Country Energy Assessment program which can play an important foreign policy and international energy role is continued.

In-house energy management.—Vigorous pursuit of energy savings with a minimum of Contractor-performed surveys is compatable with a reduced funding level in the area of In-House Energy Manmagement.

Consumer affairs.—An increase of $72,000 has been agreed to in addition to the Administration's request for the Office of Consumer Affairs to continue an acceptable level of field hearings and other activities of the Citizen Participation program.

Technical information services.—The Technical Information Center will continue to provide scientific and technical information. To the extent that the Center has distributed educational materials in addition to its scientific and technical responsibilities, it is expected that such services will be continued by the Department,

but not within Technical Information Services, with sufficient funding to insure continuation of such information dissemination.

Plant and capital equipment.—The reduction of $8,100,000 in the authorization for In-House Energy Management, Project 82-A-601, various locations, is expected to leave a new project authorization level of $14,100,000 for fiscal year 1982 for this project.

General reduction.—In the three categories subject to the general reduction of $10,371,000 reductions can be achieved in certain priority areas, as described below.

Within the General Management category it is expected that the procurement and contract management staff functions can be reallocated so that considerably more staff resources are dedicated to direct procurement operations. In addition, it is expected that a significant increase will be allocated to Contract Execution Divisions using Departmental staff. Much negative attention has been focused on procurement operations in the past. An infusion of higher level staff personnel into the line organization is expected to result in a noticeable improvement.

In the Office of the General Counsel, close scrutiny of staffing levels and program-related activities could result in spending reductions which will not impair the ability of the Department to pursue violations, interventions or to defend itself in Court. The number of lawyers responsible for preparation of Office of Enforcement (OE) documents and OE litigation should be continued at a level consistent with the actions of Congress in the 1981 Supplemental Appropriation (Public Law 97-12) for compliance.

In the area of Other Expenses, Travel and Services, while specific amounts for reduction have not been identified, it is expected that aggressive management improvements can achieve significant savings. Management and policy functions should, to the greatest extent practicable, be performed by Department employees. In this regard, should the Department find that authorization levels are insufficient to achieve the desired goal of utilizing Department employees for these functions, the Department will advise the Congress of the deficiency, and seek additional funds and/or personnel levels.

Greater economies should be sought in expenses for communications, rent and utilities.

Energy Supply Research and Development (Sec. 1007(3))

*Fiscal year 1982**

Solar Information	$6,700,000
Solar International	4,000,000
Hydropower	1,000,000
Total	11,700,000

*Funds for these programs in fiscal year 1982 and fiscal year 1983 appear in section 1001(a) (B) and (C) of the bill.

Solar and renewables

Of the $6.7 million recommended by the Conference for the Solar Information, up to $3.5 million is available for the continued operation of the National Solar Heating and Cooling Information Center (NSHCIC). With these funds, and consistent with the comprehensive program management plan described below, NSHCIC will be able to expand its informational support activities for all

available incentives for renewables, not limited to just Solar Heating and Cooling.

Funds are provided for technological demonstration using small-scale hydropower particularly ultra low-head hydropower for the generation of electricity.

Within six months after the date of the enactment of this Act, the Secretary shall transmit to both Houses of Congress a detailed description of the comprehensive program and management plan for the conservation and renewable energy technology transfer programs in the Department of Energy, including the Energy Extension Service, the National Solar Heating and Cooling Information Center, and the Regional Solar Energy Centers. Such plan shall include a detailed description of the roles, division of responsibilities, and relationships of such Centers with other technology transfer activities of the Department of Energy, including the Energy Extension Service, the Solar Energy Information Data Bank, and the National Solar Heating and Cooling Information Center. Such plan shall also include a detailed description of how the information dissemination activities and services of the Department of Energy in the fields of renewable energy resources and energy conservation are being coordinated with similar or related activities and services of other Federal agencies.

COMMERCIAL NUCLEAR WASTE

Research and development and other waste management activities are intended to be supported at a level consistent with the objective of submitting an application for a license for a full-scale facility for the permanent disposal of high-level nuclear waste in the 1987–1989 time period. Thus, in assimilating the reduction in the Terminal Waste Isolation program, the Department is expected to maintain a priority emphasis on site survey and characterization activities.

A reduction of $4 million in the remedial action program reflects delays in entering into cooperative agreements with states under the Uranium Mill Tailings Radiation Control Act. The Department is encouraged to plan clean-up activities to minimize to the extent practical transportation costs for remedial actions. Funding in this authorization for appropriations for commercial waste management activities other than research and development activities for fiscal year 1982 is as follows:

[Dollars in thousands]

	Fiscal year 1981 appropriation	Fiscal year 1982	
		Request	Authorization
Operating Expenses			
Repository Licensing	$1,900	$2,000	$2,000
Assistance to States	500	1,000	1,000
Low Level Waste Mgt	1,000	1,000	1,000
West Valley Demonstration	5,000	12,800	9,800
State Planning Organization	1,000	1,500	1,500
Remedial Action	38,000	55,070	51,070

[Dollars in thousands]

	Fiscal year 1981 appropriation	Fiscal year 1982	
		Request	Authorization
Capital Equipment and Construction			
West Valley Demonstration	0	200	200
Remedial Action	4,550	775	775

Energy conservation (Sec. 1007(4))

Energy conservation, operating; expenses:	*Thousands*
B&CS, urban waste	$6,500
Analysis & technology transfer	2,000
Industrial, implementation & deployment	4,000
State & Local, Energy Extension Service	15,000
Multi-Sector, appropriate technology	5,000
Total	32,500
Energy conservation, capital equipment not related to construction, B&CS, urban waste	100

Within the amounts provided for conservation, funds are available to continue the analysis and technology transfer activity and the industrial implementaion and deployment activity.

Language is included in the conference report to require not less than 20 percent State cost-sharing in the Energy Extension Service program. This requirement was adopted in order to secure adequate State participation in the program. Cost-sharing may be satisfied through either a service, capital or cash contribution.

Chapter 5—United States Energy Target

Pursuant to the requirements of the Energy Security Act, the conference agreement includes in Section 1012, energy targets, within the understanding, as expressed in the statement of managers on the Energy Security Act, that such targets ". . . shall not have legal force or effect."

Subtitle B—Powerplant and Industrial Fuel Use Act of 1978 Provisions

The conference agreement adopts the House amendments to the Powerplant and Industrial Fuel Use Act of 1978 concerning fuel use restrictions and natural gas outdoor lighting with some changes. The principal changes are discussed below.

The new Section 301(a) gives the owner or operator of an existing electric powerplant the opportunity voluntarily to certify to the Secretary that the powerplant is capable of using coal or another alternate fuel as its primary energy source, rather than requiring all powerplants to so certify as was the case under the House bill. The agreement adds a Section 301(c) which gives the same opportunity for a powerplant capable of using a mixture of petroleum or natural gas and coal or another alternate fuel as its primary energy source.

The purpose of the new Section 301 is to limit issuance of the prohibition orders to those utilities that voluntarily certify that they are eligible for such orders. The Secretary would not act until there is a certification in effect. The certification would be subject to 18 U.S.C. 1001. Even after a certification is received, the Secretary has discretion whether or not to issue an order. When a certification is received, the Secretary would review the factual basis for the certification and actually concur therein in exercising his discretion to issue a prohibition order.

This provision would encourage coal use by enabling voluntary powerplant conversions. Since the conversions would take place pursuant to prohibition orders, they could not be treated as a new source under Section 113(d)(5) of the Clean Air Act, to the same extent as is the case today under the existing Section 301(b) and (c) of the Fuel Use Act. This provision is not intended to alter the existing relationship between the Fuel Use Act and Clean Air Act.

Provision is also made to preserve final prohibition orders issued under Section 301(b) or (c) of the Fuel Use Act as enacted in 1978. A utility subject to a proposed order under that section may elect not to be subject to that proposed order.

Under the new Section 808 (which was formally Section 301(d) of the House bill's amendment to the Fuel Use Act), an electric utility is required to develop, submit for approval, and implement a conservation plan that meets the requirements specified in the new section.

The conference agreement deletes the House bill requirement that the plan must be updated and approved every five years. Instead, an approved conservation plan must be implemented over one five year period which would begin on the date the plan is approved. All obligations of the utility under the statute to implement the plan cease at the end of that five year period.

The conference agreement deletes the House bill requirement that the Secretary must provide an opportunity for a public hearing on a plan. Instead, the conferees intend that the proposed plan will be available to the public, and that the public will have an opportunity to submit comments on the plan.

The conference agreement requires the Secretary to approve or disapprove a utility's plan within 120 days of submission. The Secretary must approve the plan if it meets the requirements of Section 808(c). If the Secretary disapproves a plan, written reasons for disapproval must be provided. The Secretary is required to provide a reasonable period of time for a utility to resubmit a new plan if the original plan is disapproved. Additionally, a utility is permitted to amend its plan at any time, subject to approval by the Secretary and consistent with the requirements of this section. One requirement for approval of a plan by the Secretary is that the plan be designed to achieve the required conservation goal not later than the fifth year after its approval. The conferees expect that most of the measures that a utility elects to use to achieve its conservation goal will be lasting in nature. The conferees encourage the utilities to continue the actions taken to achieve conservation under the plan beyond the five year period.

SUBTITLE C—STRATEGIC PETROLEUM RESERVE

The Strategic Petroleum Reserve (SPR) has for more than half a decade held considerable importance to Congress and to three Administrations. Once, again, in the context of the Omnibus Reconciliation Act of 1981, Congress expresses its concern that the Nation establish and maintain an adequate supply of stored oil to minimize the adverse effects of any serious interruption in petroleum supplies.

In this Act, the Conferees have agreed to create an off-budget Strategic Petroleum Reserve Account within the United States Treasury, with an authorization of $3.9 billion for fiscal year 1982. From that account, the Secretary of Energy may obligate funds for oil acquisition, transportation, injection, and expenses associated with drawing down the Reserve in response to an energy emergency.

An additional authorization of $260 million is provided for fiscal year 1982, on the budget, for all other functions relating to the Reserve other than those specifically provided for in the off-budget account. The $260 million is expected to cover the cost of operations (including the drawdown system), maintenance, construction, program direction and administration. This figure is $60 million higher than the amount requested by both the Carter and Reagan Administrations, with the increase reflecting the Conferees' concern that sufficient funds be available to support accelerated acquisition and construction of storage capacity.

The Secretary may obligate up to $3.9 billion from the off-budget account for oil acquisition, transportation, and injection, and for the costs of drawdown. Secretary of Treasury must provide sufficient funds into the account to meet obligations incurred by the Secretary of Energy. Funds in the off-budget account are subject to the provisions of Section 660 of the Department of Energy Organization Act, and the Conferees intend that any funding for the account in years after fiscal year 1982 would be subject to authorization and appropriation by the Congress.

If a drawdown of Reserve oil occurs, the Secretary of Energy may obligate funds from the off-budget account in an amount equal to the receipts from the sale of SPR oil, to purchase replacement oil. These recipients from drawdown may be expended for such replacement oil without additional Congressional authorization or appropriations. The Conferees expect that the SPR will be refilled subsequent to a drawdown at the earliest date consistent with suitable oil market conditions, and to a level at least equal to that prior to the drawdown. If funds in the off-budget account are insufficient for complete refill, the Congress expects that the Department of Energy will request additional funds, subject to Section 660 of the Department of Energy Organization Act.

This Act requires the President to seek a fill rate for the reserve of at least 300,000 barrels per day. Because the ultimate size under present policy was approved during a period when U.S. imports of oil was substantially greater than it is at present, the basic premise upon which the ultimate size was based has changed considerably. Therefore, this Act requires the Department of Energy to complete a detailed study of the optimal ultimate size of the Reserve. The Conferees expect that Congress will want to review the report and

reevaluate the ultimate size with the possibility at that time of decreasing or increasing the 750 million barrel level referenced in this Act. The Conferees intend that the study will compare the costs to the Nation of various levels of storage with the expected benefits, including such benefits as increased national security.

A fill rate to 300,000 barrels per day will require a change in the Administration's plan for acquisition of storage capacity for the Reserve. Given that existing law provides clear authority for leasing storage capacity, the Conferees expect that the Administration will consider the possible advantages of leasing facilities on either a long-term or short-term basis, in order to permit a rapid increase in capacity.

The Conferees agreed to delete a provision relating to the storage of State royalty oil in the Reserve. The withdrawal of that provision is without prejudice to ongoing negotiations on the issue. The Conferees acknowledge that current law provides the option for the Secretary of Energy to enter into agreements with States, such as Alaska, for oil storage. The Conferees encourage the Secretary, to use the maximum flexibility under current law to proceed with the negotiations with States, such as Alaska, for storage of royalty oil in the Strategic Petroleum Reserve.

Subtitle D—Building Energy Performance Standards

Conferees adopted House language which amends the Energy Conservation Standards for New Buildings Act of 1976. Under these amendments, the Building Energy Performance Standards would be developed solely as voluntary guidelines for all buildings, except for federal buildings which would remain subject to mandatory standards.

Public Mass Transportation

AUTHORIZATIONS

House bill

This section reduces fiscal year 1982 authorization levels under the Urban Mass Transportation Act as follows: Section 3 authorizations are reduced from $1,600,000,000 to $1,515,000,000; section 18 authorizations are reduced from $120,000,000 to $75,000,000; and miscellaneous authorizations are reduced from $105,000,000 to $100,000,000. Total section 5 authorizations are reduced from $1,755,000,000 to $1,480,000,000. In addition, a provision is included which limits the amount that is made available for public mass transportation projects under section 103(e)(4) of Title 23, United States Code, to $600,000,000 during fiscal year 1982.

Senate amendment

This provision limits the fiscal year 1982 authorizations for appropriations under the Urban Mass Transportation Act to $3,950,000,000. The Senate intended that this sum exclude administrative expenses and include $210,000,000 deferred from prior years.

Conference substitute

The House provisions, except that new authorizations for appropriations in fiscal year 1982 are limited to $3,792,000,000. Thus sum excludes funds deferred from prior years or transferred from other appropriations.

Highway Safety Program

SHORT TITLE

Senate amendment

This section provides that this part may be cited as the "Highway Safety Act of 1981".

House bill

No comparable provision.

Conference substitute.

No comparable provision.

AUTHORIZATION FOR APPROPRIATIONS

Senate amendment

This section provides the National Highway Traffic Safety Administration with an authorization level of $77 million in each of the fiscal years 1982, 1983, and 1984 to carry out section 402 of title 23, United States Code, relating to highway safety programs and an authorization level of $31 million for each of the fiscal years 1982, 1983, and 1984 for highway safety research and development.

It also provides the Federal Highway Administration with an authorization level of $10 million for fiscal year 1982 and $13 million in each of the fiscal years 1983 and 1984 for highway safety research and development.

This section repeals authorizations for fiscal year 1982 for enforcement of the 55 miles per hour speed limit and incentives for state compliance with the 55 miles per hour speed limit.

This section also repeals authorizations in fiscal year 1982 for carrying out sections 406 and 407 of title 23, United States Code, relating to school bus driver training and innovative project grants, respectively. This section also repeals the unobligated balances of contract authority established under paragraphs (1) and (10) of section 202 of the Highway Safety Act of 1978.

House bill

The House bill makes no changes in the authorizations in existing law to carry out sections 403, 406 and 407 of title 23, United States Code.

This section repeals $173 million in prior year contract authority for carrying out section 402 of title 23, United States Code, authorizes $100 million for fiscal year 1982 to carry out section 402 of title 23, United States Code, administered by the National Highway Traffic Safety Administration, and authorizes $10 million for fiscal year 1982 for carrying out section 402 of title 23, United States Code, administered by the Federal Highway Administration.

This section also provides $20 million for fiscal year 1982 for enforcement of the 55 miles per hour speed limit and repeals the authorization for innovative safety grants.

The House bill imposes a $100 million obligation limitation for fiscal year 1982 for highway safety programs and school bus driver training carried out by the National Highway Traffic Safety Administration and imposes an obligation limitation of $10 million for highway safety programs carried out by the Federal Highway Administration.

Conference substitute

The authorizations for carrying out section 402 of title 23, United States Code, are as contained in the House bill for fiscal year 1982, except that identical authorizations are also provided for fiscal years 1983 and 1984. Of the amounts apportioned for each fiscal year for carrying out section 402 of title 23, United States Code, not less than $20 million shall be obligated for enforcement of the 55 miles per hour speed limit.

The authorizations for carrying out section 403 of title 23, United States Code, are as contained in the Senate amendment. The conference substitute repeals separate authorizations for enforcement of the 55 miles per hour limit, incentive grants for compliance with the 55 miles per hour speed limit, innovative project grants, and outdated incentive grant authorizations for enactment of state seat belt laws and reduction of the traffic fatality rate. Authorizations for school bus driver training would be phased out by fiscal year 1984. This section provides an obligation limitation of $100 million for carrying out section 402 of title 23, United States Code, administered by the National Highway Traffic Safety Administration, for each of the fiscal years 1982, 1983, and 1984 and a limitation of $10 million for carrying out section 402 of title 23, United States Code, administered by the Federal Highway Administration, for each of the fiscal years 1982, 1983, and 1984.

HIGHWAY SAFETY PROGRAM

Senate amendment

The Senate amended section 402(a) of title 23, United States Code, to restructure the highway safety program. The Secretary of Transportation is authorized to focus Federal funding for State highway safety programs in those areas determined to be most effective in reducing highway deaths and injuries.

The Senate amendment repealed specific requirements that a State highway safety program include: maintenance of funding levels (maintenance of effort), driver education programs, curb cuts for the handicapped and encouragement of the use of safety belts.

The Senate amendment provides that a State's highway safety program be under the control of either the Governor of a State or any other agency authorized by State law.

The Senate amendment repeals section 402(h), thereby authorizing the Secretary of Transportation to amend the 18 uniform standards.

House bill

The House bill has no comparable provisions thereby retaining the provisions in present law for the State highway safety programs.

Conference substitute

The Conferees agreed to retain the 18 highway safety standards for fiscal year 1982. After that time, the standards may be changed by the Secretary by rulemaking. Further, the Secretary of Transportation shall commence a rulemaking by September 1, 1981, to determine the most effective safety programs or the process for determining the most effective safety programs eligible for Federal funding in fiscal year 1983. The rule shall be promulgated taking into account consideration of the States having a major role in establishing these programs.

By April 1, 1982, a final rule shall be submitted to Congress along with a report which analyzes and justifies the areas selected for funding or the process for determining the most effective safety programs eligible for funding. If the rule is not submitted by April 1, 1982, the rule shall not take effect until October 1, 1983. The effective date of the Secretary's final rule shall be October 1, 1982, unless one House of Congress vetoes the rule before June 1, 1982. In the event one House vetoes the rule, the Secretary shall not apportion or obligate section 402 funds for fiscal year 1983 or fiscal year 1984. In such a case, the Conferees intend that Congress reauthorize a highway safety program for fiscal years 1983 and 1984.

The Conferees agreed to retain section 402(b) as in present law with the exception of section 402(b)(1)(D) relating to maintenance of funding levels which the Conferees agreed to repeal.

The Conferees agreed that the Governor of a State would retain responsibility for the State highway safety program, recognizing that the responsibility may in some cases be limited as where the day-to-day responsibilities are administered through a State highway commission and the governor exercises his responsibility chiefly by his allocation of the highway safety funds apportioned to the State.

UNIFORM STANDARDS AND INCENTIVE GRANTS

Senate amendment

The Senate amendment repealed subsections (h) and (j) of section 402 of title 23 (prohibiting the Secretary from changing the uniform safety standards and incentive grants).

House bill

No comparable provision.

Conference substitute

Senate provision, except authority to amend standards shall not take effect until October 1, 1982.

SCHOOL BUS DRIVER TRAINING

Senate amendment

This section repeals the school bus driver training program.

House bill

No comparable provision.

Conference substitute

No comparable provision, except that authorizations are phased out by fiscal year 1984.

INNOVATIVE PROJECT GRANTS

Senate amendment

This section repeals the innovative project grants program.

House bill

No comparable provision, except that the authorization for innovative grants for fiscal year 1982 is repealed.

Conference substitute

Same as the House bill.

NATIONAL MAXIMUM SPEED LIMIT COMPLIANCE

Senate amendment

The Senate bill sets the percentage of compliance with the 55 miles per hour speed limit in each State at 50 percent with a penalty of up to 5 percent of highway funds for noncompliance.

House bill

No comparable provision.

Conference substitute

Senate provision except provide for 5 percent loss of highway funds for noncompliance in FY 1980 and FY 1981 and 10 percent loss for noncompliance thereafter.

HIGHWAY PROGRAM

OBLIGATION LIMITATION

House bill

This provision imposes a limitation on obligations of $8,200,000,000 for fiscal year 1982 for Federal-aid highways and highway safety construction programs, excluding obligations for emergency relief and three emergency bridge projects in Washington, Ohio and West Virginia. This limitation also applies to obligations for Federal-aid projects on the Great River Road.

To ensure an equitable distribution of available obligational authority, this section distributes obligational authority on the basis of legislative formulae and discretionary and other non-formula fund allocations during fiscal year 1982. No more than 25 percent

of the total $8,200,000,000 in obligational authority, less amounts for forest highways and administrative expenses, may be obligated during the first quarter of fiscal year 1982. Subject to this overall constraint, individual States may, however, use up to 35 percent of their total obligational authority during the first quarter.

This section requires the Secretary of Transportation to provide sufficient authority to all States to prevent lapse of apportioned or allocated funds except to the extent States indicate their intention to lapse Interstate construction funds. After August 1, 1982, obligational authority shall be withdrawn from any State not able to obligate its share during fiscal year 1982 and redistributed to States which are able to obligate.

Senate amendment

This section imposes an obligation limitation of $8,100,000,000 for fiscal year 1982, $8,600,000,000 for fiscal year 1983, and $8,800,000,000 for fiscal year 1984 for Federal-aid highways and highway safety construction programs, excluding obligations for emergency relief. This section distributes obligational authority for fiscal year 1982 on the basis of legislative formulae and prohibits any State from obligating more than 25 percent of the amount distributed during the first quarter.

The Senate amendment requires the Secretary of Transportation to provide sufficient authority to all States to prevent lapse of apportioned funds except to the extent States indicate their intention to lapse Interstate construction funds. The redistribution of obligational authority after August 1, 1982, is identical to the House provision.

Nothing in the Senate amendment shall be construed as preventing the appropriations committee from taking any actions properly within its jurisdiction in regard to the annual review and control of this program in annual appropriations Acts.

Conference agreement

The conference agreement imposes a limitation on obligations of $8,200,000,000 for fiscal year 1982 and $8,800,000,000 for fiscal year 1983 for Federal-aid highways and highway safety construction programs, excluding obligations for emergency relief and two emergency projects carried out under section 147 of the Surface Transportation Assistance Act of 1978 in Ohio and West Virginia. The Administration has indicated that Federal funds for a third emergency bridge project in Washington will be totally obligated during fiscal year 1981. In this case, an exemption for the West Seattle bridge after fiscal year 1981 is unnecessary.

As with other Federal-aid programs, the conferees intend that these limitations shall also apply to obligations for Federal-aid projects on the Great River Road. A separate limitation shall not apply solely to obligations for Federal-aid projects on the Great River Road.

The conferees have adopted the Senate provision which distributes obligational authority for fiscal year 1982, except that the Senate method is to be applied for fiscal year 1983 as well as fiscal year 1982. In adopting the House approach with respect to the limitation imposed on first quarter obligations, the conferees expect the Secretary to seek an obligation schedule from the States prior to

the commencement of the 1982 and 1983 fiscal years to determine the number of States which will not obligate 25 percent of their full allocation in the first quarter. That portion of the guaranteed 25 percent of a State's allocation for the first quarter not being used by a State may be allocated to other States whose obligation schedules indicate they could exceed the 25 percent limitation on obligations. No State may, however, exceed 35 percent of its allocated share of the obligation ceiling.

The conferees adopted the Senate provision which requires that sufficient authority be provided for fiscal year 1982 to avoid lapse of apportioned funds (except where States indicate their intention to lapse Interstate construction funds), except the conference agreement also applies to fiscal year 1983.

The conference agreement adopts Senate and House provisions with respect to redistribution of obligational authority after August 1, except the conference agreement applies to fiscal year 1983 as well as fiscal year 1982.

The language in the Senate amendment regarding the jurisdiction and authority of the appropriations committee is not retained.

The conferees are aware that the obligation limitations imposed by this agreement constrain the highway and highway safety construction programs severely below known needs. It is the intention of the conferees to review these limitations in connection with any multiyear highway legislation hereafter considered by the Congress.

STATEMENT OF MANAGERS—RECONCILIATION BILL—AVIATION

PART 1—FISCAL YEAR 1981 AIRPORT DEVELOPMENT

House bill.—No provision.

Senate amendment.—Authorizes $450 million to be spent for airport and airway development, planning and noise abatement in fiscal year 1981.

Conference substitute.—Follows Senate amendment in authorizing $450 million to be spent for airport development, planning, and noise abatement programs in fiscal 1981. This authorization is accomplished by continuing programs established in the Airport and Airway Development Act of 1970, as amended, and the Aviation Safety and Noise Abatement Act of 1979. The substitute continues all provisions of the 1970 and 1979 Acts, as amended, governing the allocation of funds between various kinds of airports, and the minimum funding levels for various programs. The substitute also provides that projects which were begun during fiscal year 1981, when there was no program in effect, are eligible for 1981 grants. The substitute further provides that the Secretary shall obligate from funds available for fiscal 1981, $15 million for carrying out noise compatibility programs in accordance with section 104(c) of the Aviation Safety and Noise Abatement Act of 1979, at Cannon International Airport in Reno, Nevada.

All the funds authorized in the substitute must be obligated by September 30, 1981. Obligations may be made only for projects which meet all eligibility and other requirements of the Airport and Airway Development Act and the Aviation Safety and Noise Abatement Act, except that projects begun during the lapse in ADAP authorization need not meet the requirement under the 1970 Act as amended that projects begun before grant approval are not eligible.

The substitute also includes a conforming amendment to section 208(f) of the Airport and Airway Revenue Act of 1970. The amendment simply authorizes expenditures from the Trust Fund in conformity with the Conference Substitute. This conforming amendment does not affect the user charges supporting the Trust Fund; user charges will be considered by the House Ways and Means and Senate Finance Committees in connection with legislation to authorize the Airport and Airways Programs for fiscal years 1982 and beyond.

PART 2—ADDITIONAL PROVISIONS RELATING TO AIRPORT DEVELOPMENT

House bill.—Provides that if the Senate and the House approve a conference report on the Airport and Airway Improvement Act of 1981, which includes new budget authority for fiscal year 1982 for airport development and planning and noise abatement planning and programs which in total exceeds $650 million, then before the bill is enrolled, the Secretary of the Senate or the Clerk of the House of Representatives is directed to include in the bill a provision that notwithstanding any other provision of law, the total amount which may be obligated for airport development and planning and noise abatement planning and programs during fiscal year 1982, from amounts in the Airport and Airway Trust Fund which were not available for obligation during a previous fiscal year, shall not exceed $650 million.

Senate amendment.—Provides that notwithstanding any other provision of law, the total amount of grants which the Department of Transportation is authorized to make from the Airport and Airway Trust Fund for airport development and planning and noise abatement programs shall not exceed an aggregate amount of $450 million for fiscal year 1981; $900 million for fiscal years 1981 and 1982; $1.350 billion for fiscal years 1981, 1982, and 1983, and $1.8 billion for fiscal years 1981, 1982, 1983, and 1984.

Conference substitute.—Provides that if the Senate and House adopt a conference report on the Airport and Airway Improvement Act of 1981, which includes new budget authority for airport development, airport planning, airport noise compatibility planning, and carrying out noise compatibility programs, which exceeds $450 million for fiscal 1981 or an aggregate amount of $1.050 billion for fiscal years 1981 and 1982, then before the bill is enrolled the Secretary of the Senate and the Clerk of the House of Representatives must include a provision in the bill that notwithstanding any other provision of the law,

the total amount which may be obligated for airport development, airport planning, airport noise compatibility planning and carrying out noise compatibility programs from amounts from the Airport and Airway Trust Fund which were not available for obligation in a previous fiscal year shall not exceed $450 million for fiscal 1981 and shall not exceed an aggregate amount of $1.050 billion for fiscal years 1981 and 1982. The substitute provision is designed to ensure that spending for the listed programs will not exceed the specified amounts, thereby creating a ceiling or "cap" on these programs. The substitute does not preclude establishing lower funding levels in legislation authorizing these programs for fiscal 1982.

PART 3—AIR CARRIER SUBSIDY

House bill.—Provides that the Civil Aeronautics Board shall establish rates of compensation under sections 406 and 419 of the Federal Aviation Act of 1958 so that the total amount of compensation payable by the Board for services performed during the fiscal year ending September 30, 1982, does not exceed $75 million.

Senate amendment.—No provision.

Conference substitute.—No provision.

TITLE IV, SECTION 427

Transportation Research and Special Programs

Senate amendment

This section limits the amounts authorized to be appropriated for carrying out the functions of the Research and Special Programs Administration of the Department of Transportation for fiscal years 1982, 1983, and 1984. The limits are as follows: $30,047,000 for fiscal year 1982; $32,300,000 for fiscal year 1983; and $32,300,000 for fiscal year 1984.

House bill

No comparable provision.

Conference substitute

The Conference agreement modifies the Senate provision by adding $1 million for fiscal year 1984. This money was added to cover necessary costs that will occur as a result of commencing the State grant program provided for in section 205 of the Hazardous Liquid Pipeline Safety Act of 1979. Thus, the limit on authorizations to be appropriated for fiscal year 1984 is $33,300,000.

Interstate Commerce Commission Authorization

Senate amendment

This section limits the amounts authorized to be appropriated for the necessary expenses of the Interstate Commerce Commission for fiscal years 1982, 1983, and 1984. The limits are as follows: $77,900,000 for fiscal year 1982; $80,400,000 for fiscal year 1983; and $80,400,000 for fiscal year 1984.

House bill

No comparable provision.

Conference substitute

The Conference agreement adds $1.1 for fiscal year 1982, thus, the limit on the amount authorized to be appropriated for fiscal year 1982 is $79 million.

TITLE XI

JOINT STATEMENT OF MANAGERS TO THE CONFERENCE REPORT ON H.R. 3982

RAILROAD RETIREMENT ACT AMENDMENTS

1. Credit actual months of service

The House bill provided that an employee would receive credit for his or her actual months of service in the railroad industry.

At present, an employee receives credit for his full years of service and the actual number of months in excess of the number of full years of service; however, if the employee has an additional six months or more of service, the employee receives credit for another full year of service, producing inequitable results.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1116(a) adopts the House provision.

2. Current connection

The House bill added the National Transportation Safety Board to the list of agencies for which a former railroad employee can work without breaking his current connection. In 1974, it was decided that certain railroad related jobs with specified government agencies should not cause a former railroad employee to break a current connection, as would normally be the case when an individual works outside the industry. One specified agency is the Department of Transportation which, in 1974, contained the National Transportation Safety Board. Subsequent to the enactment of the 1974 Act, the National Transportation Safety Board became an independent agency. To extend current connection protection to employees of the National Transportation Safety Board, reference to that agency must be added to the Act.

The House bill also expanded the definition in "current connection with the railroad industry" so that, for purposes of entitlement to a supplemental annuity and survivor benefits, an individual who has completed 25 years of railroad service would be deemed to have such a current connection of that individual's railroad service where he was terminated involuntarily and without fault on his part and he did not thereafter decline an offer of suitable employment in the railroad industry. Under this provision, a termination of railroad service is voluntary unless there is no choice available to the individual to remain in service. Accordingly, an employee who accepts a separation allowance in lieu of retention of his employment would be deemed to have voluntarily terminated his railroad service. This change in the law would relate only to employ-

ees who left the industry after October 1975, or who were on leave of absence, furlough, or absent for injury in October, 1975.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1116(b)(1) and (2) adopted the House provision with an amendment designed to remedy an oversight in the drafting of the 1974 Act by providing for a current connection for survivor purposes only for those individuals whose annuity began to accrue prior to 1948.

3. Supplemental annuity

The House bill eliminated a restriction which barred payment of supplemental annuities to any individual who renders any service as an employee for compensation after his supplemental annuity closing date.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1117(a) adopts the House provision with an amendment. The amendment adds a new eligibility condition for supplemental annuity entitlement: at least one month of service prior to October 1, 1981. The effect of this is that employees hired after October 1981, will not qualify for supplemental annuities at retirement. The maximum supplemental annuity payment is $43.00 per month.

4. Divorced wives

The House bill added provisions for payment of annuities to divorced wives of railroad employees. currently, divorced wives can get benefits under the Social Security Act, but not under the Railroad Retirement Act. The bill would provide a divorced wife (who meets the Social Security Act eligibility criteria) a tier I annuity amount (the social security level component). Divorced wives would not be eligible for tier II or windfall components. The divorced wife would have to have been married to the employee for at least 10 years, be unmarried, and be at least 65 (or 62 for a reduced annuity) in order to be eligible for an annuity.

The Senate amendment had no comparable provisions.

The Conference substitute in Section 1117(b)(1) adopts the House provisions.

5. Age reduction factor for spouses

The House bill increased the age reduction from 1/180 to 1/144 for each month a spouse, otherwise eligible to receive an annuity only upon attaining age 65, is under age 65 when he or she elects to receive a reduced benefit after attaining age 62. This conforms to the age reduction factor required under the Old-Age, Survivors and Disability Insurance (OASDI) provisions of the Social Security Act.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1117(b)(2) adopts the House provision.

6. Surviving divorced wives, remarried widows and survivng divorced mothers

The House bill provided for Tier I annuities to surviving divorced wives and remarried widows of employees and surviving divorced mothers of children of the employee if such individuals would have

qualified for social security benefits if the railroad service upon which their entitlement is based had been covered by the Social Security Act. These additional categories of social security beneficiaries which are not currently covered by the Railroad Retirement Act. Such individuals would not be eligible for tier II or windfall components.

The Senate amendment had no comparable provisions.

The Conference substitute in Section 1117(c) adopts the House provision.

7. New annuity components based on highest earnings

The House bill provided a new annuity component (a new "staff" component) for each qualified employee. Current provisions of the Act require that, with respect to each award of an employee annuity, the Board compute a 1937 Act annuity rate for the individual based on his compensation and years of service prior to January 1, 1975, and reduce this amount by the amount of an imputed social security benefit based on the same compensation and service. The current provisions are among the most complex in the Act, and it is virtually impossible to provide a simple explanation of the provisions to individuals affected by them. The bill would provide a more simplified method of computation. Under the new method, the annuity amount will equal .7 percent of the employee's average monthly compensation for his or her 60 highest months of earnings for each year of service. As average wages increase through the years, the amount computed under this provision will also grow automatically. For any year that the Board does not have monthly earnings reports, annual compensation (divided by months of service) can be used in computing the high 60 months. This new component will replace the 1937 Act annuity component (currently 3(b) of the Act), the "bonus amount" (currently 3(c) of the Act) and the post-1974 annuity component (currently 3(d) of the Act). The new tier II component will be reduced by 25 percent of the windfall amount for any employee entitled to a windfall, which preserves a similar offset in current law. For an individual whose current connection is preserved by the exclusion for employment with agencies specified in section 1(o) of the Act, and whose major employment during the 60 months preceding the month in which his annuity began to accrue was with one of those agencies, indexing is provided to put the high 60 months in terms of current dollars. The term "major employment" is intended to include employment with such agencies when that employment was for a greater period of time during the 60 months preceding the annuity beginning date than was employment not for such agencies.

The Senate amendments had no comparable provisions.

The Conference substitute in Section 1118(a) adopts the House provision.

8. Conforming amendments to new annuity component

The House bill repealed sections 3(c) and (d) of the Act since the new annuity component in the House bill (now incorporated in the Conference substitute) replaced the annuity component in those sections. Since section 3(c) and (d) was repealed, cross-references to it were changed to refer to section 3(b) alone. In addition, references to section 3(c) and (d) in section 3(h) of the Act were deleted.

Language relating to the computation of average monthly compensation in section 3(j) of the Act was deleted since that language was in the new section 3(b) added in the House bill. The bill made a word transformation correction in section (f)(i).

The Senate amendments had no comparable provisions.

The Conference substitute in Section 1118 (b), (c) (1) and (2), and (e)(1), and (f) adopts the House provision.

9. Employee tier II COLA

The House bill extended the cost-of-living increase provision in that section which must, under current law, be reenacted or updated periodically in order to provide tier II annuity increases. The new provision continues the pattern of providing tier II increase at 32.5 percent of the Social Security Act level of increases each year for individuals who are on the rolls of the effective date of the increases.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1118(d) adopts the House provisions.

10. Pre-retirement windfall COLA

The House bill provided for the elimination of future pre-retirement indexing of windfall benefits.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1118(e)(2) adopts the House provision.

11. Dual entitlement benefits

The House bill sought to clarify the law in the light of the recent *Gebbie* case (*Gebbie, et al.* v. *United States Railroad Retirement Board,* 631 F. 2d 512 (C.A. 7 1980). Prior to 1975, dual entitlement (entitlement by an individual to various benefits on a single employment record under the Railroad Retirement Act and the Social Security Act simultaneously) was bankrupting the railroad retirement system. To prevent further deterioration of the program, the 1974 Act was enacted requiring that railroad retirement annuities be reduced by social security benefits individuals receive.

Rights to dual benefits were preserved, however, for certain individuals who met coverage requirements prior to 1975. The annuities of these individuals are still reduced by their social security benefit, but they receive a "windfall" annuity component to partially offset the reduction. This places such individuals back into a position similar to that which existed before the dual benefit restruction was out into the law.

One type of dual benefit which was rate under the 1937 Act was the case of a male railroad employee (and most railroad employees are male) receiving a social security benefit based on his wife's wage record under the Social Security Act. Males could not qualify for spousal benefits under the Social Security Act unless they could meet a dependency requirement. A male with enough employment to qualify for a railroad retirement annuity obviously would not, in most cases, meet the Social Security Act's dependency requirement. Accordingly, when the 1974 Act was drafted to terminate the right of individuals to acquire the right to full dual benefits in the future (with "windfall" components being used to protect expectations in

cases where full dual benefit rights had already accrued), it was not contemplated that male railroad employees would qualify for or need windfalls based on their wives' social security earnings. Windfalls were meant to preserve expectations of receiving certain benefits, and at the time the windfall component was established, husband's benefits were being paid under the Social Security Act only to dependent males. For several years, the 1974 Act worked as intended. However, in 1977, a series of Supreme Court decisions had the effect of stripping the dependency requirements out of the Social Security Act and, consequently, male railroad annuitants applied for and received social security benefits as "husbands" of social security covered female workers. The Board, as required by the 1974 Act, reduced the annuity of these employees by the amount of the newly awarded social security benefits. The Board determined that the Social Security Act as in effect in 1974 (which is the measure of the "windfall" component) is zero because such non-dependent males could not have qualified for a husband's social security benefit in 1974. The Court in *Gebbie* reversed the Board's determination in that case, saying, in effect, that the Social Security Act "as in effect in 1974" should be interpreted in the light of the 1977 decisions. The House bill thus amended the law to make clear that the phrase "the Social Security Act as in effect on December 31, 1974" is intended to mean "the Social Security Act as it was in effect and being administered on December 31, 1974."

The House bill made two other change in the windfall provisions. No new windfalls would be payable in connection with annuities awarded after 1986 to any employee based on a spouse's Social Security Act employment and after 1981, cost-of-living increases in unawarded windfalls would be based on social security increases between January 1, 1975, and the earlier of the annuity beginning date or January 1, 1982. Under current law, the windfall amount, which is computed under the Social Security Act as in effect in 1974, is increased by the compounded total percentage increase applicable to social security benefits between 1974 and the effective date of the windfall award. After it is awarded, the windfall is not subject to cost-of-living increases.

The Senate amendment addressed the *Gebbie* issue by providing that no new windfalls would be payable in connection with annuities awarded after May, 1981, or the enactment date, to any employee based on a spouse's Social Security Act employment. The intent of the provision "unless entitlement of such individual to such amount had been determined prior the date of the enactment of this subdivision" is to cut off windfall awards in all cases where the processing has, for whatever reason, not been completed and the determinations have not been made.

Gebbie, which involved windfall benefits to employees based upon their spouses' Social Security Act employment, also has relevance to two other categories: Spouse annuity windfalls payable under section 4(e) and survivor annuity windfall benefits payable under section 4(f)(2). The Senate amendment limited these latter benefits in the same manner as it limited employee windfall benefits.

The Conference substitute in Section 1118(e)(3), 1119(d) and 1119(f) adopts the Senate version in its entirety and that portion of the House provision which classifies that no windfall is payable to surviving divorced wives, remarried widows, and surviving divorced

mothers. The conference substitute also clarifies the law by providing that the survivor 4(h) component takes into consideration the reduction required under section 4(i)(2) of the Act.

12. Institute application of OASDI rules to COLA's

The House bill provided for the application of the social security rules in calculating post-retirement annuity increases or decreases for an early retiree whose benefit was reduced by reason of his early entitlement.

Under the current provisions of the Social Security Act, an annuity increase for an early retiree whose benefit was reduced by, for example, one-fifth, is similarly reduced by one-fifth, thereby keeping the reduction factor mixed. Under the comparable Railroad Retirement Act provisions, patterned after the Social Security Act Amendments of 1972, post-retirement annuity increases are reduced by a smaller factor than the one applied to the initial benefit amount. (The Congress corrected this anomaly with respect to the Social Security Financing Amendments of 1977).

The House bill also amended the Railroad Retirement Act so that the reduction factor applied to future increases would be consistent with current social security practice and would remain fixed at the level applied when the benefit was first awarded or, if the annuity began before October 1981, at the level applied for September 1981. The new subsection (2) which was added to section 3(1) of the Act provided a clear method for computation of annuities by individual components which was made necessary by virtue of the change in law made by this section.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1118(g) adopts the House provision.

13. Uniform application of age reduction in dual entitlement cases

The House bill applied the age reduction factor in a uniform manner in the benefit calculation which occurs when an early retiree would be entitled to both a social security equivalent benefit based solely on railroad compensation and a social security benefit based solely on social security covered wages.

Under the current law, the social security equivalent benefit based solely on railroad compensation is determined by:

1. Computing the full (i.e., actuarially unreduced) benefit based on combined railroad and social security earnings;
2. Computing the actuarially reduced social security benefit based solely on social security wages;
3. Taking the difference between 1 and 2; and
4. Reducing 3 by the age reduction factor.

This inconsistent manner of applying the age reduction factor in computing social security equivalent benefits arbitrarily undoes a portion of the age reduction made in the social security benefit.

The House bill provided that, the age reduction would be uniformly applied when initially computing each benefit component. Under this amendment, the social security equivalent benefit based solely on railroad compensation would be determined by:

1. Computing the social security equivalent benefit based on combined railroad and social security earnings;

2. Computing the social security benefit based solely on social security wages; and
3. Taking the difference between 1 and 2; and
4. Reducing 3 by the actuarial reduction factor.

The House bill also inserted a phrase, "before any deduction on account of work." This was necessary because of other changes made in the law to simpify work deductions. Since work deduction would no longer be made in tier I components for individuals also entitled to social security benefits, it was necessary that the tier I reduction on account of social security entitlement use the social security benefit before age reduction so as not to restore the social security work reduction by giving a bigger tier I.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1118(h) adopts the House provision.

14. Tier I benefits for divorced wives

The House bill provided that a divorced wife will receive social security level benefit amount (a tier I) as her annuity under the Railroad Retirement Act. Since other annuity components provided to individuals married to employees are payable only to a "spouse," as defined in the Act, such components would not be payable to a "divorced wife," a term also defined in the Act. The term "spouse" does not include a divorced wife.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1119(a) adopts the House provision.

15. Spouse annuity computations

The House bill made a number of changes in spouse annuity computations, including reference corrections and conforming changes.

Under current law, the spouse tier II annuity component is equal to 50 percent of the employee's tier II with a spouse maximum (provided for under section 4(c) of the Act). The House provided 45 rather than 50 percent of the employee's tier II to the spouse as her tier II; however, the House eliminated the spouse maximum.

Section 4(i)(2) of the Railroad Retirement Act causes a spouse's tier I component, which is computed under section 4(a) of the Act, to be reduced by the tier I amount of any employee annuity she also is entitled to receive under the Act. This reduction is "restored," that is, it is added back into the tier II component of her spouse's annuity under the second proviso of 4(b).

The House further eliminated from the law a reference to the spouse maximum provision, since it was removed from the law. The House bill modified Section 4(i)(1) of the Act so that spouse annuity age reductions are made prior to reduction for social security benefits. To make this applicable to all social benefits, the term "husband's or wife's" is being deleted from 4(i)(1). The House bill made a similar change in section 4(c) of the Act.

The Senate amendment had no comparable provisions.

The Conference substitute in Section 1119(b) adopts the House provisions with an amendment clarifying existing law by providing that the restored amount should be fixed and not increased with future cost-of-living increases.

16. Conforming amendment relating to new tier I annuitants

The House bill provided for surviving divorced wives, remarried widows, and surviving divorced mothers of employees to receive tier I annuity amounts. No direct change in the tier I computation section, section 4(f) of the Act, is necessary to accomplish this since these new categories of beneficiaries specifically come within the term "survivor" contained in section 4(h) of the Act. However, to preclude them from being subject to the deeming provisions contained in section 4(f)(2) of the Act, the House excluded them from operation of section 4(f)(2) of the Act, the House excluded them from operation of section 4(f)(2) of the Act.

The Senate amendment had no comparable provisions.

The Conference substitute in Section 1119(d) adopts the House provisions.

17. New survivor tier II benefits

The House bill amended entirely the tier II survivor annuity computation section of the Act, section 4(g). Under current law, a survivor's tier II is equal to 30 percent of the survivor tier I, which is itself the social security level widow's or widower's annunity which would be payable to such survivor if railroad service were covered by the Social Security Act. The House bill provides instead, a tier II for widows and widowers equal to 50 percent of the employee's tier II which would be payable to the employee if he were still living. Children would get a tier II of 15 percent of the employee's tier II, parents 35 percent; the family minimum would be 35 percent, and the family maximum would be 80 percent.

The effective dates make the new formula applicable to new awards in cases where the employees did not retire and did not die prior to the changeover date, or in all cases if the annuity is awarded on or after 10/1/86. In other cases, the old formula applies for the initial award; however, in all cases, cost-of-living increases for survivors' tier II would be by the same percentage as employee and spouse tier II cost-of-living increases (under current law, such increases are indexed by 100 percent of the Consumer Price Index). The restored amount and the spouse minimum will continue to be determined as under current law.

The House bill also clarified that divorced wives, remarried widows, and surviving divorced mothers do not receive a tier II amount.

The Senate amendment provided for the re-indexing of survivors Tier II COLA's to 32.5% of C.P.I., equal to that of other Tier II beneficiaries.

The Conference substitute in Section 1119(e) adopts the House provision.

18. Dual benefits payments account—board authority

The House bill created a separate Dual Benefits Payments Account.

Under current law, appropriations for dual benefits (the so-called "windfall" components paid under sections 3(h), 4(e) and 4(h) of the Act and sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445) are paid directly into the Railroad Retirement Account. Dual benefits are then paid from such Account. The House bill amended section 7(c) of the Act to provide that after September

1981, dual benefits will be paid from a special Dual Benefits Payments Account, (which is established elsewhere in the House bill).

The House bill also gave the Board authority to allocate windfall benefit payments so as to insure that appropriations extend all year and that within each month of such year there is an equitable distribution of funds allocated to beneficiaries entitled to dual benefits for such month. Such allocation will take into account only currently and prospectively due benefits and will not include back payments.

The Senate amendment had no comparable provisions.

The Conference substitute in Section 1122(c) adopts the House provision, with an amendment that entitlement to Dual Benefits will be limited to the amount actually appropriated to that Account.

19. Creation of dual benefits payments account

The House bill established the Dual Benefits Payments Account. Appropriations from the Federal Treasury for dual benefits payments will be placed into this account, from which these payments will be made to beneficiaries. Because there is generally a lag between the time appropriations are enacted and the time money is received, the regular retirement account will loan funds temporarily each year to the Dual Benefits Payments Account to continue windfall payments between the start of a fiscal year and the date the dual benefits appropriation is received. This loan will be repaid, with interest, when the dual benefit appropriation is received.

It might be noted that under current law dual benefit financing is on a level payment basis. Creation of the Dual Benefits Payments Account will obviate the need for long-term guess work required by the level payment basis (which requires each three years that the Board estimate interest and inflation rates into the indefinite future in order to determine what equal installments to that year will totally offset all dual benefit payments which will ever be made). The separate dual benefits account provision requires simply that the Board determine each year the amount of money which will be needed during the next fiscal year to pay duel benefits. This information will be furnished to the Appropriations Committees with aggregate benefit payments subject to the actual appropriation to the Dual Benefits Payments Account.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1124(b) adopts the House provision.

20. Technical change relating to disability freeze

The House bill changed section 18(2) of the Act to allow the Social Security Administration to take into consideration railroad compensation when determining whether applicants under that Act can qualify for a disability freeze. A similar provision was contained in the Railroad Retirement Act of 1937 but was left out through inadvertance. Both the Social Security Administration and the Board have urged adoption of this amendment as soon as possible so that qualified disabled individuals can get a disability freeze established.

The Senate amendment had no comparable provision.

The Conference substitute in Section 1125 adopts the House provision.

21. Presidential Report and "Benefit Preservation"

The Conference substitute requires the President to analyze options that will assure the long-term actuarial soundness of the railroad retirement system and report his finding to Congress by October 1, 1982. In addition, section 1126 adds a new section 22 to the Railroad Retirement Act, requiring the Board to submit to the President and the Congress, and publish in the Federal Register within 20 to 30 days thereafter, a report by April 1 of any fiscal year in which it estimates it will utilize fifty percent or more of its authority to borrow from the Treasury against annual due payments from Social Security. The report will include: The amount the Board will need to borrow, and the amount it is otherwise authorized to borrow against the financial interchange obligations due the Board; the first fiscal year in which benefits would have to be reduced in absence of funding adjustments; the fiscal year in which the Board would recommend suspension of the authority to borrow under the Railroad Unemployment Insurance Act in order to prevent depletion of the Railroad Retirement Account; and, the funding adjustments needed to preserve the system's solvency.

Not later than 180 days after an activation of this provision rail labor and management are required to come forward and submit to the President and Congress separate or joint funding proposals to preserve the system, and the President would likewise submit to Congress his recommendations including proposals to insure continued payment of the social security equivalent benefit and to separate the social security equivalent from the industry pension equivalent. Within 180 days after submission of its initial report to the President and Congress stating the first fiscal year benefits under the Act would have to be reduced, the Board would publish in the Federal Register regulations to accomplish such reductions while assuring maximum possible benefit payments. These regulations would stipulate that no one would receive less than what he or she would have otherwise received if railroad service had been covered by the Social Security Act. Unless enactment of a law to the contrary intervenes, or the situation changes as reflected by a subsequent Board report, the reduction regulations will go into effect at the time indicated in the Board's initial report.

The conferees emphasize that these regulations should ensure fair and equitable allocations. In particular, the conferees note that there are certain categories of beneficiaries who are entitled to railroad retirement benefits but not social security benefits. The regulations should take account of these cases. In addition, in promulgating these regulations, the Board should provide ample but expeditious notice and opportunity for comment.

It should be understood that, in the event of the activation of the benefit preservation mechanism, the traditional role of rail labor and management in developing proposals will be respected, but in the event that a satisfactory agreement to restore financial balance in the Railroad Retirement Account cannot be reached, it is the intent of Congress to protect the Federal government's primary responsibility for the payment of social security equivalent benefits,

even if that may require the extension of direct social security coverage to the participants of the railroad retirement system.

22. Limited borrowing authority

The Conference substitute in Section 1127 creates a new subdivision (2) for section 15(b) of the Act giving the Board authority to borrow from the Treasury against the Board's assets represented by the financial interchange obligations already due and owing to the Railroad Retirement Account. The Board could not borrow more in any month than is needed in order to meet benefit obligations to be paid during the following month and could not have loans outstanding in a fiscal year in excess of the expected financial interchange for such year. Repayments will be made when account resources permit, but in any event, any amount outstanding must be repaid with interest within 10 days of the financial interchange transfer to the Railroad Retirement Account.

23. House reference, conforming, and technical amendments

The House bill contained several reference, conforming, and technical provisions. The phrase "divorced wife" was referenced in Sections 2(e), 2(f)(2), 2(h), 4(i), 5, 6 (c), and (d) and 7 (b) and (d) in the Act to conform the Act to the new House bill. The phrase "Dual Benefits Payments Account" was also referenced in Sections 15(e) and (g) of the Act for the same reason. Section 4(i) of the Act was also technically amended to include the uniform application of age reduction changes.

The Senate amendment had no comparable provision.

The Conference substitute in Sections 1117(d), (e), (g); 1119(i); 1121 (a), (b), (c); 1122 (b)(2) and 1124 (b) and (c) adopts the House provisions.

In addition, the Conference includes several technical and conforming amendments in order to clarify existing law. Section 1117(e)(2) adds two new subdivisions to Section 2(f) of the Act for purposes of simplifying the method of assessing work deductions due to an employee's or spouse's earnings in excess of a specified amount. Section 1119(e) clarifies Tier I annuity amounts for widows of employees who had no service after 1936. Section 1120(a) clarifies the beginning dates of dual entitlement benefits. Section 1120(b) clarifies procedural application for benefits. The conferees expect the Board to continue its current practice of insuring that applicants for benefits understand that an application for Railroad Retirement benefits is considered to be an application solely for benefits under Title II of the Social Security Act. Section 1120(d) provides for suspension of annuity payments in cases where an employee disappears. Section 1121 (c)(1) and (2) clarifies that aspect of existing law regarding supplemental annuity reduction in relation to residual elections. Section 1121(a)(2) clarifies the Act by adding a reference to the Railroad Unemployment Insurance Act. Section 1122(b)(1) clarifies eligibility for Medicare coverage for those not entitled to annuity under the Railroad Retirement Act. Section 1123 clarifies the Board authority regarding recovery of overpayments. Section 1128(a) increases the appeal period of the Board from 15 to 30 days. Section 1128(b) corrects an oversight resulting from the 1978 Railroad Unemployment Insurance Act.

24. Effective dates

The House bill provided necessary effective dates.

The Senate amendment provided necessary effective dates.

The Conference substitute adopts necessary effective dates. The conferees note that to insure adequate financing the Conference substitute ties the effective date of the new Tier II formula and Tier II COLA continuation provisions to effective date of the agreed upon tax increases contained in pending tax legislation (H.R. 4242).

SUBTITLE E OF TITLE XI

The provisions of this subtitle as they appear in the conference substitute, and the corresponding provisions of the House bill and Senate amendment, are discussed in the explanatory statement which is to be printed in the Congressional Record in accordance with section 1199A.

TITLE XII

House bill.—The House bill provided that this Act may be cited as the "Consumer Product Safety Amendments of 1981." It also provided that all provisions of the Act amend or repeal a section or other provision of the Consumer Product Safety Act (CPSA), unless otherwise specified.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision.

CONSUMER PRODUCT SAFETY STANDARDS

House bill.—The House bill amended section 7 of CPSA to eliminate the offeror process, to require that the agency promulgate safety standards with performance requirements rather than design requirements, and to eliminate the prohibition against the use of sampling plans in certain consumer product safety standards.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute provision also amends section 7 to eliminate the offeror process and the prohibition on use of sampling plans. It eliminates the Commission's authority to promulgate standards containing design requirements and requires the agency to express standards in terms of performance requirements.

The Conference substitute adds a new provision, now section 7(b), requiring the Commission to rely upon voluntary consumer product safety standards, rather than mandatory standards, whenever, compliance with such voluntary standards would eliminate or adequately reduce the risk of injury addressed and it is likely that there will be substantial compliance with such voluntary standards. This provision parallels the requirement of the new section 9(f)(3)(D) insofar as the latter provision relates to standards.

In evaluating whether compliance with a voluntary consumer product safety standard would eliminate or adequately reduce the risk of injury addressed, the Commission is expected to consider whether the risk will be reduced to a sufficient extent that there will no longer exist an unreasonable risk of injury.

In evaluating whether there will be substantial compliance with a voluntary consumer product safety standard, the Commission should determine whether or not there will be sufficient compliance to eliminate or adequately reduce an unreasonable risk of injury in a timely fashion. In most situations, compliance should be measured in terms of the number of complying consumer products rather than in terms of the number of complying manufacturers.

Finally, the Conference substitute retains in a new subsection (c) the agency's existing authority to contribute to the cost of a person participating in a standard development effort.

ADMINISTRATIVE PROCEDURE AND REGULATORY ANALYSIS

House bill.—the House bill amended section 7 and section 9 of the CPSA, section 3 of FHSA, and section 4 of FFA, to modify the agency's standard setting procedures, to require the agency to perform regulatory impact analyses, and to require three additional findings before the agency may promulgate a consumer product safety rule or a safety regulation.

The House bill amended section 7 of the CPSA to provide that the agency public a *Federal Register* notice before commencing a standard development proceeding which: (1) identifies the consumer product and the risk of injury; (2) states the agency's preliminary determination that a standard is necessary to address the risk of injury; (3) includes information regarding relevant existing standards (including an explanation why such standards do no eliminate or adequately reduce the risk of injury); (4) invites any person to submit an existing standard as a proposed rule within 60 days; and (5) invites comments on the existence and nature of the risk of injury and on the necessity for a safety standard.

If no existing standard is submitted in response to the *Federal Register* notice, or if the submitted standard dos not adequately address the risk of injury, then the agency must publish a second *Federal Register* notice which: (1) states either that no standard was submitted or that the agency has determined that the submitted standard does not adequately address the risk of injury; and (2) invites any person to develop and submit a voluntary standard to address adequately the risk of injury within 150 days or a longer period of time if so determined by the agency.

If the agency determines that a voluntary standard submitted in reponse to the second *Federal Register* notice adequately addresses the risk of injury, then the agency must terminate any further standard development efforts and publish a *Federal Register* notice which: (1) states that the voluntary standard adequately addresses the risk of injury; (2) notifies the public that the agency will rely upon the voluntary standard to address the risk of injury; and (3) defines the preemption to be accorded the voluntary standard under section 26 of CPSA.

If no voluntary standard is submitted in response to the second *Federal Register* notice or if a submitted standard is inadequate, then the agency may develop and publish a proposed rule.

The House bill amended section 9(c) of CPSA to require the agency to perform a regulatory impact analysis before publishing a proposed rule or promulgating a final rule. The regulatory impact analysis must include: (1) a description of the potential benefits of the rule, including those which cannot be quantified in monetary terms, and identification of those likely to benefit; (2) a description of the potential costs of the rule, including any adverse effects which cannot be quantified in monetary terms, and identification of those likely to bear the costs; (3) a determination of the potential net benefits of the rule, including an evaluation of effects that cannnot be quantified in monetary terms, and (4) a description of major alternative approaches (including voluntary standards) that could substantively achieve the same regulatory goal at lower cost, an analysis of the potential benefits and costs of the alternative approaches, and a brief explanation of why such alteranatives, if proposed, could not be adopted.

The House bill further amended section 9(c) of CPSA to require three additional findings before the agency may promulgate a rule: (1) the agency must find that any voluntary industry standard is inadequate because (i) compliance with the voluntary standard is not likely to eliminate or adequately reduce the risk of injury; or (ii) there will not be substantial compliance with a voluntary standard; (2) the rule imposes the least burdensome requirement which eliminates or adequately reduces the risk of injury; and (3) the costs of compliance with the rule are justified by the benefits of its application.

Finally, the House bill amended section 3 of FHSA and section 4 of FAA (1) to make the rulemaking procedures in those Acts similar to the amended rulemaking procedures in CPSA; (2) to require that regulatory impact analysis similar to the ones required under CPSA be performed before the agency publishes a proposed rule or promulgates a final rule under FHSA and FFA; and (3) to require the agency to make the same three additional findings before promulgating rules under those Acts.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—Under the Conference substitute, the administrative procedure for promulgating both section 7 consumer product safety standards and section 8 bans are consolidated under section 9 of CPSA, which also contains new provisions similar to the House bill requiring preliminary and final regulatory analyses and additional findings for agency rulemaking.

Under the amended CPSA section 9(a), a proceeding to develop a consumer product safety rule must be commenced with an advance notice of proposed rulemaking. This advance notice must:

(1) identify the product and the risk of injury at issue;

(2) summarize each of the regulatory alternatives under consideration, including the alternative of assisting voluntary efforts to modify or develop safety standards under new CPSA section 5(a)(3) created by the Conference substitute;

(3) summarize information with respect to any relevant existing standard known to the Commission, with a summary of the reasons

why the Commission believes preliminarily that the standard does not eliminate or adequately reduce the risk of injury identified in the advance notice;

(4) invite public comment with respect to the risk of injury identified by the Commission, the regulatory alternatives being considered, and other reasonable alternatives for addressing the risk;

(5) invite any person other than the Commission to submit an existing standard or portion of a standard as a proposed mandatory consumer product safety standard; and

(6) invite any person other than the Commission to submit a statement of intention to modify or develop a voluntary consumer product safety standard to address the risk of injury identified in the advance notice.

A statement of intention to modify or develop a voluntary consumer product safety standard should describe the procedures and plans proposed for developing the voluntary standard and provide the Commission a basis for assessing the likelihood that the voluntary standard will be modified or developed in a way sufficient to eliminate or adequately reduce the identified risk of injury. The statement should include a request for assistance pursuant to section 5(a)(3) of the CPSA, if assistance is sought, setting forth the type and extent of assistance requested.

Under the amended CPSA section 9(b)(1), if the Commission determines that any existing standard or part of a standard submitted to it in response to the invitation in subsection (a)(5), if promulgated as a consumer product safety standard, would eliminate or adequately reduce an unreasonable risk of injury, the Commission may propose such a standard or part of a standard as a proposed rule under the procedures established in section 9(c).

Under amended section 9(b)(2), the Commission must terminate any rulemaking proceeding if the agency determines that a voluntary standard developed in response to the invitation contained in section 9(a)(6) is likely to result in the elimination or adequate reduction of the risk of injury and it is likely that there will be substantial compliance with such standard.

In determining whether or not compliance with a voluntary consumer product safety standard is likely to result in the elimination or adequate reduction of a risk of injury, the Commission is expected to consider whether the risk will be reduced to a sufficient extent that there will no longer exist an unreasonable risk of injury.

In determining whether or not it is likely that there will be substantial compliance with such voluntary consumer product safety standard, the Commission should determine whether or not there will be sufficient compliance to eliminate or adequately reduce an unreasonable risk of injury in a timely fashion. Therefore, compliance generally should be measured in terms of the number of complying products rather than in terms of complying manufacturers.

If at any time after the Commission terminates a rulemaking proceeding under this section the Commission determines that the voluntary standard is not likely to eliminate or adequately reduce the risk of injury or it is unlikely that there will be substantial compliance, the agency may initiate a new rulemaking under section 9(a).

Under amended CPSA section 9(c), the Commission must wait at least 60 days after publishing its advance notice before proposing to promulgate a mandatory standard or ban. The notice of proposed rulemaking must include the text of the proposed rule, including any proposed alternatives, and a preliminary regulatory analysis of the proposed rule containing:

(1) a preliminary description of the potential benefits and potential costs of the proposed rule, including any benefits or costs that cannot be quantified in monetary terms, and an identification of those likely to receive the benefits and bear the costs;

(2) a discussion of the reasons any standard or portion of a standard submitted to the Commission under subsection (a)(5) was not made a part of the proposed rule;

(3) a discussion of the reasons for the Commission's preliminary determination that voluntary efforts proposed following the advance notice, and assisted by the Commission as required by CPSA section 5(a)(3), would not, within a reasonable time, be likely to result in the development of an adequate voluntary standard; and

(4) a description of any reasonable alternatives to the proposed rule (including alternatives under consideration by the Commission and any additional reasonable alternatives suggested in the public comments), together with a summary description of their potential costs and benefits and a brief explanation of why such alternatives should not be proposed.

For a proposed product ban under CPSA section 8, the Commission should provide a concise statement of the reasons why no consumer product safety standard was proposed. Both the advance notice and notice of proposed rulemaking required by this section must be transmitted within 10 calendar days to the appropriate congressional committees.

The requirement of CPSA section 9 that consumer product safety rules be promulgated under procedures specified in 5 U.S.C. § 553, along with the opportunity for oral testimony, would remain unchanged. However, prior to promulgating a rule, the Commission must perform a final regulatory analysis containing:

(1) a description of the potential benefits and potential costs of the rule, including costs and benefits that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits and bear the costs;

(2) a description of any alternatives to the final rule which were considered by the Commission, together with a summary description of their potential benefits and costs and a brief explanation of the reasons why these alternatives were not chosen; and

(3) a summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of such issues.

Whenever feasible, the potential costs and benefits of the rule in the final regulatory analysis should be described in monetary terms. Because it is difficult to achieve consensus, for example, on the value of a human life or pain and suffering, the Commission need not quantify these elements. In these areas, however, and for other costs and benefits of the rule that are difficult to quantify, the Commission should attempt to describe the effects of the rule

in as much specificity as the circumstances and the Commission's resources and priorities permit.

In describing alternatives considered during the rulemaking process, the Commission need only include alternatives it considered to be realistic and reasonable options to the rule it chose to adopt, including significant voluntary efforts.

The Conference substitute adds to existing requirements, now contained in section 9(f), the following three findings the agency must make before promulgating consumer product safety rules:

First, in the case of a rule which relates to a risk of injury with respect to which persons who would be subject to the rule have adopted and implemented a voluntary consumer product safety standard, the Commission must find that (i) compliance with the voluntary standard is not likely to result in the elimination or adequate reduction of such risk, or (ii) it is unlikely that there will be substantial compliance with the voluntary standard.

The voluntary standards adopted and implemented at the time of the finding are the relevant ones for purposes of this determination. The voluntary consumer product safety standard must be "adopted" in the sense that it has been finally approved in accordance with reasonable procedures, such as those utilized by groups that develop national consensus standards, for the adoption of voluntary consumer product safety standards. The standard must be "implemented" in the sense that substantial industrywide production of products that comply with the standard has begun.

Under the second new finding added to section 9(f), the Commission must find that the benefits of the rule bear a reasonable relationship to its costs. This provision codifies the cost-benefit test articulated by the court in *Southland Mower Co.* v. *Consumer Product Safety Commission,* 619 F.2d 499 (5th Cir. 1980).

Third, in order to promulgate a consumer product safety rule, the Commission must find that the rule imposes the least burdensome requirement which prevents or adequately reduces the risk of injury for which the rule is being promulgated. To make this finding the agency must compare the relative compliance costs of those alternatives studied that would eliminate or adequately reduce the risk of injury. There is no requirement that the agency analyze every theoretical alternative. Rather, the feasible alternatives actually considered during the rulemaking process must be analyzed.

The Conferees recognize the inherent difficulty in proving or disproving the potential efficacy of labels and instructional data in determining the least burdensome requirement which prevents or adequately reduces a risk of injury. While the Conferees intend to require the Commission to undertake positive steps to study contemplated labeling or instructional rules, they do not intend to require that the need for performance standards or bans be proved with mathematical accuracy. For example, a study of the reaction of a sample of consumers to warning labels or instructions might be sufficient to determine whether or not performance requirements were justified under this section. More general studies, or studies of warnings or instructions regarding related risks of injury, might be sufficient as well. The Conferees do not intend to require the Commission to undertake specific studies of the specific wording for labeling or instructional rules once the agency has decided to issue such rules. The Commission need not actually pro-

mulgate section 7(a)(2) or section 27(e) rules before determining that performance requirements or bans are needed. Furthermore, the Commission is not required to conduct experimental or actual use studies with respect to labeling when such studies could endanger human safety.

In evaluating whether labels or instructions, or rules requiring notification of data, would adequately reduce the risk of injury addressed, the Commission is expected to consider whether the risk will be reduced to a sufficient extent that there will no longer exist an unreasonable risk of injury.

The preliminary or final or regulatory analyses prepared under section 9 are not subject to independent judicial review. This section clarifies, however, that when an action for judicial review of a rule is instituted, the contents of any such regulatory analysis constitute part of the rulemaking record and to the extent relevant may be considered in connection with that review.

The requirements for advance notice of proposed rulemaking, preliminary and final regulatory analyses, and the three additional findings required for rulemaking under section 9 of the CPSA are extended to rulemaking proceedings authorized by section 2(q)(1) and section 3(e) of the FHSA and section 4 of the FFA. These amendments are not intended to alter rulemaking procedures under other rulemaking authority contained in the FHSA and the FFA.

PUBLIC DISCLOSURE

House bill.—The House bill amended section 6(a)(2) of CPSA to treat as confidential and to prohibit the disclosure by the agency of information: (1) which contains or relates to a trade secret or other matter referred to in section 1905 of title 18;[1] (2) which is information (other than that submitted under section 15(b)) which the submittor certifies is not available to the public from such person and is not customarily disclosed to the public by the submittor; or (3) which the agency has in good faith obligated itself not to disclose. False certification of such information or improper disclosure are prohibited acts which could result in civil and/or criminal liability. Notwithstanding these restrictions, such information may be disclosed to agency personnel carrying out any Act administered by the agency or when relevant in any proceeding under such an Act.

The House bill also amended section 6(b) of CPSA to prohibit the agency from publicly disclosing information submitted under section 15(b) of CPSA unless: (1) the agency has issued a complaint under sections 15(c) or (d) of CPSA alleging that such product presents a substantial product hazard; (2) the agency accepts a settlement agreement dealing with such product; and (3) the submittor of the information under section 15(b) of CPSA agrees to its public disclosure. These restrictions do not apply to the public disclosure of information regarding a product which: (1) is the subject of an action under section 12 of CPSA; or (2) the agency has reasonable cause to believe is in violation of section 19 of CPSA.

Senate amendment.—The Senate amendment contained no provision.

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[1] 18 U.S.C. 1905 (1978).

Conference substitute.—The conference substitute amends section 6(a) by providing additional protection for business information which is truly confidential. The procedural rights accorded by this amendment provide an opportunity for the manufacturer or private labeler identifiable from the confidential information to preserve its commercial research and marketing advantages without impairing the public right to be aware of significant public health and safety information.

Under amended section 6(a), information is to be considered confidential if it contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code or subject to Exemption 4 of the Freedom of Information Act, 5 U.S.C. § 552(b)(4). The leading case interpreting the scope of Exemption 4 is *National Parks and Conservation Assn.* v. *Morton,* 498 F. 2d 765 (D.C. Cir. 1974).

The court of appeals established an objective test and held that such information came within the exemption if disclosure would be likely to cause substantial harm to the competitive position of the person from whom the information was obtained." 498 F. 2d at 770. Subsequently, the court applied this test to the materials at issue and found that most were properly withheld, "in view of the nature of the material sought and the competitive circumstances in which the (submittors) do business * * * ." *National Parks and Conservation Ass'n* v. *Kleppe,* 547 F. 2d 673, 683 (D.C. Cir. 1976).

The conferees intend that a similarly realistic view be taken of the nature of documents obtained by the Commission and of the competitive circumstances in which the submitter does business. It is wholly improper, and forbidden by this section, for the Commission to disclose information provided by a company if, taking a realistic view of the environment in which that company operates, such disclosure would result in any significant competitive harm to the company. While no conclusive formula can be devised, factors such as these are to be taken into account in determining whether a document comes within the prohibition: whether the information is considered confidential by the submittor and given appropriate protection; whether the information would reveal to competitors operational strengths and weaknesses or other valuable information to which the submittor does not have access about those competitors; whether the information is readily available from other sources. The following kinds of information would generally come within that category: profit and loss statements, confidential balance sheets, financing details and strategies, product costs, detailed sale statistics, detailed production and strategies, marketing or advertising plans and strategies, plans for future organizational changes, product plans, key employees salaries and benefits, and customer names.

It should be noted that Exemption 4 of the Freedom of Information Act (FOIA), exempts an agency from being compelled to disclose confidential commercial or financial information through an FOIA request. This section, however, mandates that the Commission may not make public information which falls within the scope of Exemption 4.

Under the new subsection (a), the Commission must, prior to the disclosure of any information reported to or otherwise obtained by the Commission which would permit the public to ascertain readily

the identity of a manufacturer or private labeler of a consumer product, offer the manufacturer or private labeler the opportunity to mark the information confidential. Information marked confidential, either at the time of submission or subsequently, shall not be disclosed without notice to the manufacturer or private labeler that the Commission considers such material to be outside the scope of confidential information. If the Commission determines such information is not within the protection of subsection (a)(2), and that the information should be disclosed, the Commission shall notify the manufacturer or private labeler that it intends to disclose the information on a date not less than 10 working days from the date of receipt of notification. The Conferees expect that the manufacturer or private labeler will accompany a marking of confidentiality in response to a notice given under subsection (a)(3), with information which will assist the Commission in its evaluation of whether the information marked as confidential is subject to the protections provided in subsection (a)(2). The Conferees intended that the Commission establish a system of review within the agency to evaluate the information provided in support of the claim of confidentiality. Any person receiving notification under subsection (a)(5) may make application for a temporary restraining order in a U.S. district court against the disclosure of material within the protection of subsection (a). During the pendency of any request for a stay of disclosure, the Commission is prohibited from disclosing the material at issue. This assures that the Commission will not disclose contested documents prior to the time that the appropriate district court or court of appeals has had an opportunity to consider an application for a stay of disclosure of the documents.

Subsection (a)(7) makes clear that information governed by this subsection may be disclosed to Congress, except that the Commission must give the manufacturer or private labeler immediate notice of a request for the information from Congress. Subsection (a)(8) clarifies that confidential information may be disclosed to other officers and employees concerned with carrying out the act or in administrative or judicial proceedings under appropriate in camera procedure or court protective order to safeguard confidential information. In this regard, subsection (a)(8) requires that the Commission's rules establish such a procedure for in camera treatments in such proceedings.

Inaccurate information

Under section 6(b)(1) as currently enacted, if the Commission determines that it will disclose information about a consumer product from which the public can ascertain readily the identity of a manufacturer or private labeler of such product, the Commission is required to take reasonable steps to assure, prior to its public disclosure of such information that such information is accurate and that such disclosure is fair in the circumstances and reasonably related to effectuating the purposes of this act. The Commission administratively determined that these requirements did not apply to Freedom of Information Act requests, but this view was rejected by the Supreme Court in *Consumer Product Safety Commission* v. *GTE Sylvania, Inc.* 447 U.S. 102,100 S. Ct. 2051 (1980). The amendments to section 6(b) are designed to provide additional procedural safeguards.

Section 6(b)(1), as amended, further provides that the Commission may include in any written disclosure any comments or other information or a summary thereof submitted by the manufacturer or private labeler, and would be required to do so upon their request.

The conferees expect the Commission to establish a system for review within the agency to evaluate issues of accuracy. The conferees expect that when comments are made in response to a notice given under subsection (b)(1) the manufacturer or private labeler will provide information which will assist the Commission in its evaluation of the information.

Under section 6(b)(2), as amended, if the Commission determines that information claimed to be inaccurate by a manufacturer or private labeler should be disclosed, after taking reasonable steps to assure that the information is accurate and that the disclosure would be fair in the circumstances and reasonably related to effectuating the purposes of the act, the Commission shall notify the manufacturer or private labeler that it intends to disclose the information on a date not less than 10 working days from the date of receipt of notification. (The Commission may provide a lesser period of notice if it finds that the public health and safety requires a lesser period and publishes such finding in the Federal Register. Disclosure of such information may be made concurrently with filing of the Federal Register notice.) Section 6(b)(3) as amended, provides that any manufacturer or private labeler receiving such notification may bring a civil action in a U.S. district court to enjoin disclosure. The district court may enjoin disclosure if the Commission has failed to take the reasonable steps prescribed by subsection (b)(1). The conferees do not intend de novo review of the Commission's determination under section 6(b)(1).

As in the original section 6(b)(2)(A) of the Consumer Product Safety Act, section 6(b)(4)(A) provides exceptions from the requirements of paragraph (1) for information about a consumer product with respect to which the Commission has filed an action under section 12, relating to imminent hazards or, which the Commission has reasonable cause to believe is in violation of a prohibited act.

Section 6(b)(4)(B) would clarify the exceptions that were contained in section 6(b)(2)(B). For purposes of section 6(b)(4)(B), a rulemaking proceeding would commence upon the publication of an advance notice of proposed rulemaking, (or where no advance notice is issued, a notice of proposed rulemaking), and an adjudicatory proceeding would commence upon the issuance of a complaint. Section 6(b)(4)(B) also provides exception for other administrative or judicial proceedings, including a proceeding to grant or deny a petition and a proceeding in which motions are filed before the Commission to quash or limit a subpoena or a special or general order (subject to any applicable in camera rules).

The provisions of new section (b)(5) resolve a problem of publicity of information submitted under section 15(b). There is a need to accommodate the public's right to prompt notice where risks, in fact, exist, but that right carries a corresponding responsibility to make the public fully aware when there is more than a mere unsubstantiated assertion. Accordingly, under section (b)(5) as amended, the Commission would be prohibited from disclosing information submitted to the Commission pursuant to section 15(b) unless: (a) the

Commission has issued a complaint alleging that the product presents a substantial product hazard; (b) the Commission has accepted in writing a remedial settlement agreement; or (c) the person who submitted the information agrees to its public disclosure. The conferees do not intend that a settlement agreement must be made by a formal written agreement, but rather, for example, may be made by an exchange of letters. Information may be reported to the Commission pursuant to section 15(b) which is not specifically required by law or regulation, but is voluntarily submitted to assist the Commission's evaluation of the information required to be submitted. These restrictions would apply to this information as well. However, the prohibition does not apply to the public disclosure of information with respect to a consumer product which is the subject of an action brought under section 12, or which the Commission has reasonable cause to believe is in violation of section 19, or information in the course of or concerning a judicial proceeding.

Paragraph 6 requires the Commission to establish procedures designed to ensure that all product safety information that it affirmatively disseminates to the public, such as press releases, fact sheets, speeches and the like, is accurate and not misleading. These clearance procedures would be applicable to all affirmative disseminations whether or not the information would enable the public to ascertain readily the identity of the manufacturer, so long as such information reflects on the safety of a consumer product or class of consumer products. The procedures extend to information relating to a class of consumer products as well as to information relating to a specific consumer product. This requirement is solely a direction to the Commission to establish internal clearance procedures and is not intended to extend the kinds of protections contained in amended sections 6(b)(1)–(b)(5) to information that would not permit the public to ascertain readily the identity of a manufacturer and private labeler.

However, under the new paragraph (7), if the Commission finds it has publicly disclosed inaccurate or misleading information which reflects adversely upon the safety of a specific consumer product or a class of consumer products, it would be required to take reasonable steps to publish a retraction of such information in a manner equivalent to that in which disclosure is made. Thus, if the Commission finds that it has disclosed inaccurate or misleading information in the Federal Register, in a press release, or in a fact sheet, for example, it would be required to retract that inaccurate or misleading information by publishing a corrected Federal Register notice, by issuing a corrected press release or by publishing a corrected fact sheet. The Commission would be expected to send a copy of the corrected information with an explanatory statement to those persons to whom it disclosed the inaccurate or misleading information that it is retracting and make further steps taking into account the Commission's limited resources, to publicize the retraction. For example, if the original inaccurate or misleading information had been widely publicized by third persons, the Commission may hold a press conference to further call attention to the retraction, but would not be required to purchase advertising space.

Under paragrpah (8) if the Commission has commenced rulemaking or initiated an adjudicatory proceeding and then decides to terminate it before taking final action, the Commission would be re-

quired to take reasonable steps to publicize its decision to terminate the proceeding in a manner equivalent to that in which it publicized the commencement or initiation. Thus, if the Commission commenced an adjudicative proceeding, for example, and published a notice of such commencement in the Federal Register and issued a press release announcing the commencement, the Commission would be required to publish a notice of termination of that proceeding in the Federal Register and be required to issue a press release announcing termination of the proceeding. As in paragraph (7) the Commission should take further reasonable steps to publicize, taking into account Commission limited resources, if the initial action has been widely publicized by third persons. However, the Commission is not required to purchase advertising space to duplicate the publicity generated by third persons.

Subsection (d)(2) contains a provision ensuring that the requirements of section 6 would apply to information to be disclosed to the public by the Commission as an entity or by its individual members, employees, or representatives of the Commission in their official capacity.

Subsection (d)(1) would extend the requirements of section 6 to information obtained under the transferred acts, or to be disclosed to the public in connection therewith. The Commission also is expected to apply the exceptions to section 6(b)(1) to equivalent provisions found in the transferred acts.

ADVISORY COUNCILS

House bill.—The House bill repealed section 28 of CPSA to eliminate the Product Safety Advisory Council and amended section 12 of CPSA to make conforming changes. In addition, the House bill repealed section 17 of FFA to eliminate the National Advisory Committee for the Flammable Fabrics Act. Finally, it repealed section 6 of the Poison Prevention Packaging Act of 1970 to eliminate the Technical Advisory Committee.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision.

CHRONIC HAZARDS

House bill.—The House bill amended section 28 of CPSA to create a Chronic Hazards Advisory Panel to advise the agency on product hazards relating to the risk of cancer, birth defects and genetic mutations. The CHAP would be composed of 12 scientists including three from Federal agencies and nine from the public sector. Public scientists would be appointed by the Commission from a list of nominees submitted by the Director of the National Institutes of Health. Members of the CHAP would be appointed for fixed three year terms, would elect a Chairman and Vice Chairman from among their members and be granted access to all documents necessary to discharge their statutory responsibilities.

The House bill also amended section 31 of CPSA to require the agency to consult with the CHAP prior to the issuance of a notice of proposed rulemaking relating to the risk of cancer, birth defects,

or genetic mutations. The agency could only issue such a proposed notice upon receipt of a report from the CHAP stating their agreement that the consumer product subject to the agency's proposed regulatory proceeding contained a carcinogen, mutagen, or teratogen.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute provides for the appointment of independent chronic hazard advisory panels to advise the Commission in regulating consumer products posing hazards of cancer, birth defects and gene mutations. The Conferees believe that providing the Commission with an independent source of advice will be an important guide to the Commission's decision making and will enhance the reliability of the scientific bases upon which the Commission's regulatory initiatives are premised, without interfering with the Commission's responsibility to make regulatory judgements.

Each Panel will be composed of seven experts appointed by the Commission from a group of qualified individuals nominated by the President of the National Academy of Sciences. The Conferees anticipate that the Academy will assemble a list of expert scientists who have demonstrated the ability to assess chronic hazards and risks to human health presented by the exposure of humans to toxic substances or as demonstrated by the exposure of animals to such substances.

No federal employee is permitted to serve on a Panel. The Conferees intend that state employees, including professors and administrators of institutions of higher learning, will be eligible to serve on a Panel. The Conferees do not intend that recipients of federal grants, or recipients of funding from industry in the past, should be excluded. In order to ensure a Panel's objectivity, the statute provides that Panel members do not presently receive compensation from or have any substantial financial interest in any manufacture, distributor, or retailer of a consumer product. The Conferees expect that the Commission will issue appropriate conflict of interest regulations to guide the selection of nominees.

Panel members will be selected on the basis of their qualifications on a case-by-case basis, and will be called upon as necessary to analyze and evaluate materials submitted for their consideration by the Commission. The Committee anticipates that several panels could be operating simultaneously, in accordance with the Commission's regulatory priorities. Each panel will terminate upon completion of its report unless extended by the Commission.

Panel members will be paid at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day during which the member is engaged in the actual performance of the duties of a Panel. Panel members shall also receive per diem and travel expenses. The Commission will provide adminsitrative support services to each Panel as required.

The Commission may not issue an advance notice of proposed rulemaking relating to a chronic risk of cancer, birth defects, or gene mutations from a consumer product unless a Panel has submitted, and the Commission has considered, a report to the Commission with respect to whether a substance contained in such

product is a carcinogen, mutagen, or teratogen. If a Panel answers this question in the affirmative, then th Panel will be required, if feasible to do so, to estimate the risk to human health that could result from exposure to the substance. In making this estimation, the Conferees expect that a Panel will use established methodologies, explain fully the methodologies used in estimating the magnitude of the risk, including the rationale for adopting that methodology, and set forth fully the uncertainities attached to any estimates it makes.

The Conferees anticipate that a Panel's consideration of a scientific issue or question will be initiated only by referral from the Commission. To permit the Panel to complete its work within 120 days, as required by the statute, the Conferees contemplate that the Commission will first identify the risk to be addressed by the Panel and then gather and analyze the existing scientific data and other available information regarding the risk. The Commission will provide the data and analysis to the Panel for its review.

The Conferees intend that the Commission will serve as a clearinghouse for information needed by a Panel and will be permitted to utilize its information-gathering mechanisms, including compulsory process, to obtain such information. Agencies and departments of the Federal Government will be required to provide the Panel with such information and data as the Commission requests on behalf of the Panel. Restrictions contained in other statutes on the authority of agencies to share information will not apply to information provided to a Panel. A Panel is not permitted to disclose data or to respond to requests for information from persons other than the Commission. The Commission is required to respond to requests for information generated or obtained by a Panel. Disclosures by the Commission will be subject to the requirements of section 6 of the Consumer Product Safety Act. These restrictions will also apply to information a Panel obtains from other agencies, states, and private sources.

A Panel's report shall contain a complete statement of the basis for the Panel's determination. The Conferees do not intend that a Panel's determination be legally binding upon the Commission, but expect the Commission to consider carefully a Panel's determination in deciding upon subsequent regulatory action. The Commission is required to incorporate a Panel's report into an advance notice of proposed rulemaking and the final rule.

CONGRESSIONAL VETO

House bill.—The House bill required the agency to submit a copy of certain rules promulgated under CPSA, FHSA, and FFA to the Secretary of the Senate and the Clerk of the House. A submitted rule would not take effect if: (1) both Houses adopt a concurrent resolution disapproving the rule within 90 days of continuous session after the date of the rule's promulgation; (2) one House adopts a concurrent resolution disapproving the rule within 60 days and the other House does not disapprove such concurrent resolution within 30 days. The House bill also amended section 27(e)(1) of CPSA to eliminate the requirement that certain rules promulgated under CPSA, FHSA, FFA, and the Poison Prevention Packaging

Act not become effective until 30 days after their submission to Congress.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision.

REPORTS

House bill.—The House bill amended section 27(b) of CPSA to limit the agency's information gathering authority to that necessary to carry out a specific regulatory or enforcement function of the agency. The House bill also required the agency to state in any order for information the reason why it needs the information to carry out a specific regulatory or enforcement function of the agency. Finally, the House bill directed the agency to draft orders for information so as to place the least practicable burden upon the person subject to the order and still obtain the information necessary to carry out the specific regulatory or enforcement function of the agency.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision.

VOLUNTARY STANDARDS

House bill.—The House bill amended section 5(b) of the CPSA to require the agency to assist public and private organizations, to the extent feasible, in the development of voluntary safety standards and test methods.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The conference substitute amends section 5(a) of the CPSA to require the Commission to provide reasonable assistance to groups seeking help in developing voluntary standards to address the risk of injury identified in an advance notice of proposed rulemaking or a notice of proposed rulemaking for a product safety rule under any rulemaking authority administered by the Commission. Although the Commission is required to provide assistance to such groups, it may determine the level of assistance in accordance with the level of its own administrative and technical resources and in accordance with its assessment of the likelihood that the groups being assisted will successfully develop a voluntary standard that will preclude the need for a mandatory standard.

In determining the level of assistance, the Commission may consider the willingness of such groups (1) to establish reasonable time periods for the development of voluntary standards; (2) to establish procedures reasonably designed to afford interested persons, including manufacturers, suppliers, retailers and consumers, notice and an opportunity to participate in the development of such standards; (3) to establish procedures designed to reduce any anticompetitive aspects of such standard; (4) to establish procedures designed to

update the requirements of such standard on a regular basis; (5) to develop plans to consider reasonable alternatives to eliminate or adequately reduce the identified risk of injury; and (6) to develop plans for achieving substantial compliance with such standard.

In addition to the requirement that the Commission assist groups in the development of voluntary consumer product safety standards for the risk of injury identified in rulemaking proceedings, the Commission is encouraged otherwise to assist such groups to the extent practicable and appropriate (taking into account the resources and priorities of the Commission) in the development of product safety standards and test methods.

This section also expands the Commission's annual report to include information about the voluntary consumer product safety standards in which the Commission is involved, either because the Commission participated in the development of the voluntary standard, or because the standard relates to a risk of injury which is the subject of regulatory action by the Commission.

PETITIONS TO COMMISSION

House bill.—The House bill repealed section 10 of CPSA which permits any interested person to petition the agency to issue, revoke or amend a rule, requires the agency to act upon a petition within 120 days of filing, and provides for *de novo* court review if the agency denies or fails to act upon a petition.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The conference substitute adopts the House provision. Thus, petitions filed after the date of enactment of this Act would not be subject to the provisions of section 10 of CPSA. Notwithstanding the repeal of section 10 of CPSA, an interested person retains the right to petition the agency for action under the Administrative Procedures Act.[1] While the agency would not be required to respond to a petition within a fixed period of time as provided for in section 10 of CPSA, interested persons who are "adversely affected" [2] could seek judicial review under the Administrative Procedures Act[3] for agency rejection of, or failure to act upon, a petition.

INSPECTIONS

House bill.—The House bill amended section 16 of CPSA to require agency personnel to obtain a search warrant if objection is made to an entry and inspection to implement CPSA. If objection is made, then a search warrant must be obtained from a judicial officer who shall issue such warrant upon a showing of probable cause. Probable cause justifying the issuance of a warrant is: (1) that the entry and inspection is necessary because the structure, conveyance, or area is involved in a violation of section 19 of CPSA; or (2) that the entry and inspection will be conducted pursuant to a reasonable administrative plan for enforcement of CPSA. The House

[1] 5 U.S.C. 553(e) (1978).
[2] 5 U.S.C. 702 (1978).
[3] 5 U.S.C. 706 (1978).

bill also amended section 11 of FHSA to apply the same requirements with respect to inspections conducted under that Act.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The House recedes.

MISCELLANEOUS

House bill.—The House bill amended section 20(b) of CPSA to require the agency to consider two additional factors in compromising civil penalties: (1) the occurrence or absence of injury; and (2) the number of products distributed.

The House bill also amended section 24 of CPSA to include business within the definition of "interested persons" for purposes of bringing private actions.

Third, the House bill repealed section 25(a) of CPSA which provides that compliance with consumer product safety rules or orders under CPSA does not relieve any person from liability at common law or under State law.

Fourth, the House bill repealed section 27(m) of CPSA which required the agency to begin a review of its rules.

Fifth, the House bill amended section 14(a) of FFA to eliminate the requirement that the agency submit annually a separate report on its investigations and studies conducted under FFA.

Finally, the House bill amended section 15 of FHSA to provide that, if an article or substance is a banned hazardous substance and the agency determines (after affording interested persons an opportunity for a hearing) that notification is required to adequately protect the public, then the agency may order any manufacturer, distributor, or retailer to do one or more of the following: (1) to give public notice that the article or substance is a banned hazardous substance; (2) to mail notice of such designation to each manufacturer, distributor, or retailer; (3) to mail notice of such designation to each person known to have been delivered or sold such article or substance. In addition, if the agency determines (after affording interested persons an opportunity for a hearing) that it is in the public interest, the agency may order a manufacturer, distributor, or retailer to elect and perform one of the following actions: (1) to repair or change the article or substance so it will not be a banned hazardous substance; (2) to replace the banned hazardous substance; and (3) to refund the purchase price of such article or substance.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute amends section 20 of CPSA to require the agency to consider certain factors in determining the amount of a civil penalty to be sought upon commencement of an action for any violation of section 19 of CPSA. The factors which the agency must consider are: (1) the nature of the product defect; (2) the severity of the risk of injury; (3) the occurrence or absence of injury; (4) the number of defective products distributed; and (5) the appropriateness of such penalty in relation to the size of the business. The Conference substitute further amends section 20 of CPSA to require the agency to consider the

same five factors in compromising a civil penalty in an action for any violation of section 19 of CPSA.

Second, the Conference substitute amends section 24 of CPSA to clarify that business is an "interested person" for the purpose of bringing a private action under this section.

Third, the Conference substitute repeals section 27(m) of CPSA which required the agency to begin a review of its rules. Since this rule review has begun and is continuing, section 27(m) is no longer necessary.

Fourth, the Conference substitute repeals the last sentence of section 14(a) of FFA which requires the agency to submit a separate annual report on studies and investigations conducted under FFA. Such information will instead be included in the agency's comprehensive annual report to Congress required by section 27(j) of CPSA.

Fifth, the Conference substitute amends section 15 of FHSA to provide that, if an article or substance is a banned hazardous substance as defined in section 2(q)(1) of FHSA and the agency determines (after affording interested persons an opportunity for a hearing) that notification is required to adequately protect the public, then the agency may order any manufacturer, distributor, or dealer to do one or more of the following: (1) to give public notice that the article or substance is a banned hazardous substance; (2) to mail notice of such designation to each manufacturer, distributor, or dealer; (3) to mail notice of such designation to each person known to have been delivered or sold such article or substance. In addition, if any article or substance is a banned hazardous substance as defined in section 2(q)(1) of FHSA and the agency determines (after affording interested persons an opportunity for a hearing) that it is in the public interest, the agency may order the manufacturer, distributor, or dealer to elect and perform one of the following actions: (1) to repair or change the article or substance so that it will not be a banned hazardous substance; (2) to replace the banned hazardous substance; or (3) to refund the purchase price of such article or substance. While the election among the remedies of repair, replacement, or refund is left to the person subject to the order, an order may require such person to submit a plan for implementing the selected remedy which is satisfactory to the agency. To be satisfactory, the plan must demonstrate that it will reasonably protect the public. Under the Conference substitute, the agency may only issue an order requiring notification, repair, replacement, or refund after providing the manufacturer, distributor or dealer an opportunity for a hearing in accordance with section 554 of title 5.[1]

The purposes of the hearing are three-fold. The first purpose of the hearing is to determine if a product is banned either by operation of the FHSA and regulations thereunder, or by a specific banning regulation. If there is in effect a banning regulation, the purpose of hearing is not to determine the validity of the regulation, but only to determine if the product is within the scope of the regulation.

If a product is determined to be banned, either by operation of statute or by a banning regulation, then the second purpose of the

[1] 5 U.S.C. 554 (1978).

hearing is to determine if the hazard presented by the product is such that some form of remedial action is necessary, including public notice of the hazard, repair of the product, replacement of the product or refund of the purchase price of the product.

If it is determined that remedial action is necessary with respect to a banned hazardous substance, the third purpose of the hearing is to determine the specific appropriate remedial action.

Sixth, the Conference substitute repeals section 13 of CPSA which gave the agency authority to require manufacturers to submit a description of any new product prior to its introduction into commerce.

Finally, the Conference substitute makes a number of technical amendments to CPSA.

LAWNMOWER STANDARD

House bill.—The House bill required the agency to amend its lawnmower standard [1] so that manually started rotary-type lawnmowers which stop the engine within three seconds of release of the handle by the operator and which require a manual restart of the engine would be deemed in compliance with the standard. The House bill provided that the engine starting controls must be within 24 inches of the top of the mower's handles or that the mower must be equipped with a 360° protective foot shield. In promulgating this amendment, the House bill provided that the CPSA does not apply. The House bill further required the agency to study and report on the effect on consumers of the alternative to the lawnmower standard within two years. The House bill prohibited the agency from further amending the amendment to the lawnmower standard until the study is filed.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision. Thus, the agency must amend its lawnmower standard under the procedures of section 553 of the Administrative Procedures Act [2] in accordance with this provision. Comment during the rulemaking proceeding and judicial review of the rule as amended is limited to the issue of whether the rule as amended complies with the statute. Questions regarding the basis or adequacy of the amendment to the lawnmower standard are not within the purview of the rulemaking proceeding nor are they subject to judicial review.

AMUSEMENT PARKS

House bill.—The House bill amended section 3(a)(1) of CPSA to define "consumer product" so as to include any mechanical device which: (1) carries or conveys passengers over a fixed or restricted route or within a defined area for the purpose of giving its passengers amusement; (2) is customarily controlled or directed by an individual who is employed for that purpose and who is not a consumer with respect to such device; and (3) is not permanently fixed

[1] 16 C.F.R. 1205.
[2] 5 U.S.C. 553 (1978).

to a site. Such devices which are permanently fixed to a site are not "consumer products" under the House bill.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute adopts the House provision. Thus, the agency does not have jurisdiction over amusement rides that are operated by a fixed-location amusement park or similar facility. The Conferees recognize that an amusement park may alter the location of an amusement ride that it operates to improve the operation of the ride, to carry out the major maintenance on the ride or to dispose of the ride. Infrequent alteration of the ride for such purposes does not give the agency jurisdiction over the ride.

PREEMPTION FOR VOLUNTARY STANDARDS

House bill.—The House bill amended section 26 of CPSA to provide that those voluntary standards which the agency has stated in the *Federal Register* it will rely upon to address risks of injury preempt all State and local laws which are not identical. In addition, the House bill provided that the submittor of such a standard could seek to amend it by notifying the agency in writing of the proposed change and the reasons for the change. The agency must then publish a *Federal Register* notice identifying the voluntary standard and the proposed change as well as providing a reasonable opportunity for interested persons to comment, either orally or in writing. Within 120 days, the agency must determine whether the voluntary standard as proposed to be amended is likely to eliminate or reduce adequately the risk of injury. If the agency determines that the amended standard is likely to address the risk of injury, then it must publish a *Federal Register* notice informing the public of the agency's reliance upon the amended standard.

The House bill accorded voluntary standards relied upon by the agency under FHSA and FFA preemptive effect identical to that provided for in CPSA.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The House recedes.

EXTENSION OF ACT

House bill.—The House bill authorized appropriations of $33 million, $35 million, and $37 million for fiscal years 1982, 1983, and 1984, respectively. In addition, it authorized to be appropriated such funds as may be necessary for the payment of accumulated and accrued leave under section 5551 of Title 5, United States Code, and severance pay under section 5595 of Title 5, United States Code.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute authorizes appropriations of $33 million and $35 million for fiscal years 1982 and 1983. In addition, such funds are authorized to be appropriated as may be necessary for the payment of accumulated and accrued leave under section 5551 of Title 5, United States Code, and other

expenses related to a reduction in force in the agency. The Conferees recognize that these reduced authorization levels will necessitate a significant reduction in agency personnel. The Conferees intend that most of the reductions be effected through the elimination and consolidation of field offices.

EFFECTIVE DATE

House bill.—The House bill provided that the Congressional veto provisions apply to rules promulgated under CPSA, FHSA, and FFA after the date of enactment. The House bill also provided that the amendments to the agency's rulemaking procedures contained in sections 6382, 6383, 6384 and 6391 apply to rules under CPSA, FHSA, and FFA for which notices of proposed rulemaking are issued after May 8, 1981. Finally, the House bill provided that all other sections take effect upon enactment.

Senate amendment.—The Senate amendment contained no provision.

Conference substitute.—The Conference substitute provides that the Congressional veto provisions apply to rules promulgated under CPSA, FHSA and FFA after the date of enactment. The Conference substitute also provides that the amendments to the agency's rulemaking procedures contained in sections 1202, 1203 and 1204 apply to rules under CPSA, FHSA, and FFA for which notices of proposed rulemaking are issued after August 14, 1981. The Conferees have changed the effective date of these provisions so that the agency will not be required to re-publish proposed notices of rulemaking dealing with flammability standards applicable to disposable diapers and CB base station antennas. It is the understanding of the Conferees that this change will affect no other regulatory effect. Finally, the Conference substitute provides that all other sections take effect upon enactment.

TITLE XII—STATEMENT OF MANAGERS

SUBTITLE B—COMMUNICATIONS

CHAPTER I—PUBLIC BROADCASTING

Public Broadcasting Amendments Act of 1981, Conference Report

(All section references are to the Public Broadcasting Act of 1967, as amended)

Section 391, Facilities

S. 720 authorized appropriations for NTIA's facilities program of $16 million, $11 million, and $7 million for fiscal years 1982, 1983, and 1984, respectively. H.R. 3238 authorized appropriations of $25 million, $20 million, and $15 million for fiscal year 1982-84, permitted facilities to be leased out for commercial activities, and provided that the Secretary could not assume more than 50% of the costs of any facilities planning grant under Section 392.

The conference agreement (1) authorizes appropriations for the facilities program of $20 million, $15 million, and $12 million for fiscal years 1982, 1983, and 1984, respectively; (2) accepts the House

amendment regarding commercial use of facilities; and (3) retains existing law regarding planning grants.

Section 396(a), Declaration of Policy

S. 720 altered the declaration of policy regarding the Corporation for Public Broadcasting by stressing the growth and development of "public audio and video programs, however delivered." H.R. 3238 left Section 396(a) unchanged.

The conference agreement accepts the House position. The conferees believe that the existing mandate is sufficient to meet the broad needs public broadcasting is to serve. The conferees, however, take note of the concerns that certain responsibilities public broadcasting does have, such as to the blind, cannot, in every instance, be met through the delivery of public telecommunications services via public television and radio stations alone, and hope that the Corporation will give continuing attention to this issue.

Section 396(c), Board of Directors

S. 720 reduced the size of the CPB Board from 15 to 9, consisting of 8 directors appointed by the President, with the advice and consent of the Senate, and the President of the Corporation, chosen by the other directors, who would also serve as the ninth director and Chairman of the Board. S. 720 made several other modifications in the structure and operation of the Board.

H.R. 3238 maintained the current size of the Board, but provided for the placement of 2 representatives of public television stations and 2 representatives from public radio stations on the Board. The House bill also contained a procedure whereby the Board would convey to the President a list of potential nominees to fill vacancies on the Board.

The conference agreement reduces the size of the CPB Board from 15 to 11, consisting of 10 directors selected by the President, with the advice and consent of the Senate, and the president of the Corporation, chosen by the other Board. The agreement also provides for the nomination by the President, after consultation with representatives of public television and radio licensees, of 1 representative of public television stations, and 1 representative from public radio for service on the Board, with the advice and consent of the Senate. The transition to the smaller Board shall be by attrition beginning October 1, 1983. Although the President has full discretion in selecting the television and radio representatives, the conferees urge the President to give the most careful consideration to the suggestions made by the stations. The stations may wish to submit to the President a list of individuals they believe worthy of service on the Board.

The conference agreement further provides that no more than 6 members of the Board appointed by the President may be of the same political party. The conferees accepted the Senate provisions reducing terms of service from 6 to 5 years, the attendance requirement for meetings, election of the Vice Chairman, per diem compensation, officers and employees of the Corporation, and the limitation for reimbursement for Board members. The conferees are concerned over the expenses incurred by the Board, and urge the Board to consider taking steps to eliminate the payment of per

diems to Board members for routine work involving little time commitment.

The provisions restricting Board meetings to Washington, D.C., as contained in S 720, and the provisions establishing a process to submit a list of qualified individuals to the President to fill Board vacancies, as contained in HR 3238, are deleted. However, the conferees note that there is absolutely nothing preventing the Corporation, the stations, and others from establishing, as circumstances warrant, a blue-ribbon panel to help advise the President on outstanding potential nominees for the Board. The reductions in funding for public broadcasting contained in this bill place a premium on CPB's leadership, and all concerned about the future of public broadcasting should be working on mechanisms to strengthen it.

Section 396(g), Purposes and Activities of the Corporation

The conferees retained existing provisions of law regarding Section 396(g), including the requirement that CPB's program fund use peer review panels in reaching its decisions, and accepted the House provision deleting the study contained in Section 396(g)(5), relating to non-federal financial support.

Section 396(h), Interconnection Service

S 720 made certain minor modifications in the language of this section. HR 3238 made no such amendments. The Senate receded to the House position.

Section 396(i), Report to Congress

The Senate accepted the House amendment to Section 396(i)(1), changing the date of transmittal of the Corporation's annual report to Congress from February 15 to May 15.

Section 396(k), Financing; Open Meetings and Financial Records (1) Financing

S 720 authorized appropriations for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986 of $110 million, $100 million, and $100 million, respectively. The Senate bill retained the 2:1 match of federal and non-federal funds. S 720 provided that public broadcasting stations were to receive no less than 60% of the funds appropriated to the Corporation. S 720 required that the Corporation pay 50% of the costs of facilities and operations of interconnection. S 720 deleted Section 396(k)(7), the so-called "50% rule," which limits the amount any station can receive from CPB to no more than 50% of its non-federal financial support. The Senate bill required community serve grants (csg's) to be used by the stations for purposes "related primarily" to programming, but further provided that csg payments to a station would be reduced by an amount equal to the amount of unrelated business income tax paid by the station because of such unrelated business activities.

HR 3238 authorized appropriations for CPB for fiscal years 1984, 1985, and 1986 of $160 million, $145 million, and $130 million, respectively. HR 3238 also retained the 2:1 match. The House bill provided that CPB's funds are to be disbursed from the Treasury on an annual, rather than quarterly, basis. HR 3238 also established a detailed formula specifically allocating CPB's budget,

while providing that the stations would assume the full costs of interconnection. The conferees agree to the following authorizations for CPB: $130 million for each of fiscal years 1984, 1985, and 1986. The conference agreement agreement adopts the House provision regarding the annual disbursement of funds from the Treasury to CPB. Further, the conferees accepted the allocation formula for CPB's budget proposed by the House with the following modifications:

(1) Of the funds allocated to television under paragraph (3)(A)(ii), 75% shall be available for community service grants, and 25% for CPB's national program fund.

(2) In order to ensure the ability of the Corporation to meet its fixed costs for the payment, under paragraph (3)(A)(i)(II), of capital costs of the satellite, copyright royalties, and its share of the interconnection, a new provision, paragraph (3)(A)(v), was added. It states that should CPB's fixed costs for the satellite, copyright, and interconnection exceed 60% of the funds allocated to CPB pursuant to paragraphs (3)(A)(i)(I) and (II), then the stations shall pick up the balance of such costs on a pro-rata basis through reductions in allocations under (3)(A)(ii)(I) and (3)(A)(iii)(I)—the television and radio community service grants, respectively. Three-quarters of the balance of such costs shall be met by television, and one-quarter by radio. The conferees trust that this arrangement will enable CPB to meet its obligations without fear that its costs will exceed the cap on funds allocated to it under the formula. However, the conferees state their firm intent that this "60% trigger" be used only as a last resort by the Corporation because of the substantial burden it would impose on the stations. There is nothing in this provision which would bar any other voluntary arrangement undertaken by the Corporation and public television and radio licensees to share any or all of these fixed costs on any other basis—and the conferees hope such arrangements will in fact be undertaken. Should CPB use the trigger when its costs for the three items mentioned above reach the critical level, the conferees ask the Corporation to carefully consider using its non-federal income—interest income by virtue of the annual disbursement of funds by the Treasury, revenues from leasing the interconnection, and such other funds as may be available—to defray such costs before passing the balance on to the stations. The Corporation should consider, for example, using its revenues from leasing interconnection facilities to defray its share of operating the interconnection. Further, the Corporation is to avoid any "loading" of these three fixed costs in a way that will make use of the trigger inevitable. In sum, the conferees ask the Corporation, in consultation with the stations, to resolve this matter of CPB's fixed costs for the satellite, copyright, and interconnection in a way that will avoid a chronic and imminent danger that the 60% trigger will be breached in the budgets established pursuant to this legislation.

The conference agreement also maintains the current commitment to independent producers.

CPB annual appropriations, fiscal year 1984-86

[In millions of dollars]

CPB—10 percent	130.00

Administrative expenses and contingency—no more than 5 percent (maximum)	6.50
Interest, satellite, copyright, interconnection, research, training, education, engineering—no less than 5 percent (minimum)	6.50
Total CPB	13.00
Television and radio—90 percent	117.00
Television—75 percent	87.75
[1] Community service grants—75 percent	65.81
[2] National program fund—25 percent	21.94
Radio—25 percent	29.25
[1] Community service grants—no less than 50 percent (minimum)	14.62
[2] National programming—no more than 50 percent (maximum)	14.62

[1] Total station support—62 percent: 80.43 million.
[2] Total programming support—28 percent: 35.36 million.

With respect to interconnection, the House conferees accepted the Senate amendment that the Corporation assume 50 percent of the costs of interconnection, but added an amendment to provide that CPB share with the stations 50 percent of the revenues yielded from leasing the interconnection for commercial purposes. This section is not intended to apply to stations that own their own ground terminals. In such cases, stations should retain their right to revenues derived from facilities they own, subject only to their prior contractural obligations to CPB.

The House accepted the Senate amendments deleting the so-called "50 percent rule" (Section 396(k)(7) of current law) and requiring csg's to be used "primarily" for programming.

The House accepted the Senate amendment regarding the relationship of community service grants and taxable unrelated business income. The conferees intend that this "recapture provision" apply only to funds distributed to public telecommunications entities.

Community Advisory Boards

S 720 deleted the requirement that public television and radio stations establish community advisory boards. HR 3238 retained this requirement, and clarified their structure.

The conference agreement accepts the House provision, but limits the requirement only for so-called "community" licensees—those not owned or operated by a State, its subdivisions, or a public agency. Indeed, it is hoped that all stations recognize the value of having strong and effective boards, and will continue their existence and participation in station activities.

Section 396(1), Records and Audit

The House accepts the Senate amendments to Section 396(1), regarding shared institutional advertising and biannual audits.

Section 397, Definitions

S 720 made several minor, technical, and conforming changes to this section. HR 3238 retained current law, with the exception of a technical amendment to Section 397(15). The Senate accepted the House provisions.

Section 398, Equal Employment Opportunity

The conferees agreed to retain current law, as provided in the House bill.

Section 399, Editorials; Recordings of Certain Broadcasts

S 720 and HR 3238 were substantially similar in their amendments to Section 399. The Senate accepted the House amendments.

Section 399A, Logograms

HR 3238 authorized public television and radio stations to broadcast the logos of corporate underwriters. The Senate had no comparable provision.

The Senate accepted the House proposal with an amendment that the FCC is explicitly authorized to consider further rulemakings, consistent with the purposes of this provision, in this area.

Section 399B, Commercial Activities.

HR 3238 authorized public broadcast stations to offer certain facilities, services, and products for remuneration, but barred the broadcast of advertisements. S 720 continued no comparable provision.

The Senate accepted the House amendment.

Studies/Advertising Experiment

S. 720 contained a study by the FCC of its rule regarding on-air sponsorship indentification by the stations, and related issues. HR 3238 established a Temporary Study Commission to explore and report to Congress its review of all financing alternatives, and related issues, available to public broadcasting, and provided for an 18-month experiment whereby selected stations could broadcast advertisements.

The conference agreement accepts the House amendment, with an amendment that renders optional the advertising experiment. However, if the Study Commission does decide to conduct the experiment, it shall proceed as outlined in HR 3238.

Chapter II—Radio and Television Broadcasting

Radio and Television License Terms

The Senate bill amended Section 307(d) of the Communications Act of 1934 to extend license terms for radio indefinitely from the present three year period, and to extend television license terms and from three to five years. The conference agreement accepts the Senate proposal to extend television license terms to five years. The conferees, however, decided to extent radio licenses from 3 years to 7 years. Broadcast licenses presently in effect could not be extended until the time of renewal. The conferees note that the evidence demonstrates that the marketplace is more competitive in the radio industry than in the television industry—enough so to justify a longer term.

The conferees note that the extension of terms for broadcast licenses would help to reduce costs to broadcasting and the Commission costs, while at the same time allowing the Commission to do a better job reviewing broadcasters' performance. Periodic license

review occasionally brings to light certain matters with respect to a broadcaster's performance that may otherwise have gone undetected. However, the most serious station deficiencies are generally brought to the Commission's attention through complaints filed during the license term. Since this complaint process will continue, the public will have ample opportunity to bring such matters promptly to the Commission's attention. Thus, an extenion of the license term will not lessen the Commission's oversight and enforcement powers necessary to protect the public.

OTHER RADIO AND TELEVISION PROVISIONS

The Senate reconciliation bill contained numerious provisions with respect to the deregulation of radio and television. The Senate receded from its position with respect to the following sections of its bill: 1) Section 444-2(a) extending radio license terms indefinitely; 2) Section 444-2(b) creating new procedures with respect to license revocation; 3) Section 444-4 prohibiting the FCC from requiring radio licensees to:

a) provide news, public affairs, or locally produced programs;
b) adhere to a particular programming format
c) maintain program logs;
d) ascertain needs and interests, of the area served;
e) restrict the length or frequency of commercials;

4) Section 444-4 requiring the Commission to report annually to Congress on the elimination of regulation relating to radio broadcasting; 5) Section 445-3 prohibiting the Commission from considering a competing television broadcast applicant while it is considering whether to renew the existing license; 6) Section 445-3 creating a new standard for television license renewal; 7) Section 445-4 providing that a station be reassigned to states presently without any existing commercial VHF station when a channel assignment becomes available in a neighboring state;

RANDOM SELECTION OF INITIAL LICENSES

The Senate bill included amendments to Section 309 of the Communications Act which permitted the Federal Communications Commission, in its discretion, where there is more than one applicant for a radio or television broadcast frequency that becomes available, to grant the application based on a system of random selection (i.e., lottery) to be developed by the Commission. The conference agreement adds a new subsection to Section 309 directing the FCC to establish rules within 180 days of enactment of this legislation, setting forth the procedures to be followed in any Commission proceeding in which the FCC, in its discretion, decides to grant any initial license or construction permit on the basis of random selection. The conferees intend that this provision may be applied by the Commission to the grant of any license for use of the electromagnetic specturm in which there are mutually exclusive applicants for the same license.

The legislation provides that the Commission is to determine, prior to conducting any random selection procedure, that each applicant who is to be included in the random selection meets the minimum or basic qualifications set forth in Section 308(b) of the

Act. It is the firm intention of the conferrees that Section 309(j)(2) requires the Commission to conduct at most a "paper" hearing in making a determination of minimum qualifications rather than a trial-type hearing. See *U.S.* v. *Florida East Coast Railway Co.,* 410 U.S. 224, 238-246 (1973). The conferees direct that the Commission expedite its determination of minimum qualifications in order that the random selection proceeding itself not be delayed. The Commission could, for instance, delegate authority to determine such qualifications to the appropriate Bureau Chief. The provisions of Section 409(c)(2) of the Act shall not apply to the Commission's determination of minimum qualifications.

Section 309(j)(3) is added directing the Commission to establish rules and procedures to ensure that significant preferences are given to any groups or organizations, or members of groups or organizations, which are underrepresented in the ownership of telecommunications facilities or properties. It is the firm intention of the conferees that ownership by minorities, such as blacks and hispanics, as well as by women, and ownership by other underrepresented groups, such as labor unions and community organizations, is to be encouraged through the award of significant preferences in any such random selection proceeding. These are groups which are inadequately represented in terms of nationwide telecommunications ownership, and it is the intention of the conferees in establishing a random selection process that the objective of increasing the number of media outlets owned by such persons or groups be met.

The conferees note that the current system (based on comparative proceedings) of awarding licenses where mutually exclusive applicants exist often produces substantial delays and burdensome costs on both the applicant and the Commission. it is the intention of the conferees by authorizing the Commission to conduct random selection of licenses that these costs and burdens be alleviated. By making a determination that all applicants participating in the random selection process meet the Section 308(b) basic qualifications, however, the public continues to be protected from unqualified licensees.

By the establishment of basic qualifications and the elimination of initial comparative hearings, the conferees intend that much of the present delay and expense can be eliminated with no adverse effect on the provision of services to the public.

The conferees wish to emphasize that a random selection proceeding is to be used by the Commission in its discretion, and that the conferees do not intend to discourage the use of the comparative hearing process by the Commission where, due to a sufficiently small number of applicants or for other reasons, a comparative proceeding would better serve the public interest, convenience and necessity.

The conferees note that delays and expense which are often incurred with respect to certain comparative proceedings can, in an of themselves, present a substantial barrier to entry into telecommunications markets by those who are presently unable to incur such costs. Thus, a random selection proceeding will encourage those presently discouraged by these barriers to seek a license award.

The conferees are particularly concerned with the delay that will result if comparative proceedings are used to award licenses for low-power television service. The Commission has already received over 5,000 applications, most of which are, or will be, mutually exclusive with other applications. Unless alternate procedures are devised, the Commission will have geometric increase in comparative hearings and many years of delay in action on these applications. The conferees note that a matter such as this is ideally suited for the application of random selection procedures. By authorizing the Commission to apply random selection to any license application already submitted, but not yet designated for hearing, it will be possible to process low-power television applications rapidly on a random selection basis.

Section 309(j)(4) directs the Commission, after notice and opportunity for hearing, to prescribe rules establishing a system of random selection. The conferees intend that the Commission will implement this section in accordance with 5 U.S.C. 553.

FRIVOLOUS LICENSE APPLICATIONS

Section 1243 adds a new subsection 311(d) to the Communications Act of 1934. This subsection makes it unlawful, without approval of the FCC, for the applicants for a broadcasting station license to effectuate an agreement whereby one or more of the applicants withdraws their application or applications in exchange for the payment of money, or the transfer of assets or any other item of value from the remaining applicant or applicants.

Subsection 311(d) is intended to prevent a situation in which a person files a frivolous application for a station license in order to harass an incumbent which is applying for renewal of its license (or any other legitimate applicants for the same license), and offers to withdraw the frivolous applications upon payment of money or a transfer of assets by the legitimate applicant. Payment or transfer could be either to the frivolous applicant or to third parties.

Under paragraph (d)(3), the FCC may approve an agreement between or among applicants, as described in paragraph (d)(1), only if the Commission finds that the agreement is consistent with the public intrest, convenience and necessity, and also that no party to the agreement filed its license application for the purpose of reaching or carrying out such an agreement.

ALLOCATION OF VHF TELEVISION STATION TO NEW JERSEY AND DELAWARE

The House conferees wish to note that they argued strongly for an amended version of a provision in the Senate bill which would have provided that a VHF television license be reassigned, if technically feasible, from a neighboring state to New Jersey or Delaware if such license was revoked or denied by the Commission. The Senate would not accept any provision dealing with this issue in the context of the legislation agreed to in this conference. However, the Senate conferees were sympathetic to the situation in New Jersey and Delaware.

CHAPTER III—REGULATORY AGENCIES

SUBCHAPTER A—FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION OF APPROPRIATIONS

The Senate bill included section 441–1(a) authorizing expenditures for the Federal Communications Commission (FCC). The House bill had no such provision, but had passed similar legislation, H.R. 3239, on June 9, 1981. The conferees agreed to the Senate's provision authorizing the FCC at a level of $76,900,000 with the following changes: the term of the authorization was changed from three to two years; sec. 441–1(b) establishing charges for services performed by the FCC was deleted.

In adopting this provision the conferees believe that Congress is exercising its appropriate role to ensure that the American people benefit from competition and deregulation. It is appropriate, therefore, that Congress be given the opportunity for regular and systematic oversight of the FCC's implementation of Congressional policy. A two-year authorization instead of the prior permanent authorization for the FCC will provide that opportunity.

Regular and systematic oversight will increase Commission accountability for the implementation of Congressional policy. Congress will benefit from greater exposure to the Commission's expertise on the policy implications presented by the new telecommunications services made possible by rapidly changing technologies. The Commission, in turn, will have a better appreciation of Congressional intent.

Section 1252 requires the FCC to appoint a Managing Director and to report its goals and priorities to Congress annually. The Commission now has an Executive Director who has responsibility for various administrative functions such as procurement, personnel management, and budget preparation, but who has no authority to direct the activities of the bureaus and offices. Consequently, no one individual functions as the chief operating officer at the Commission, and the Commission's bureaus and offices have operated independently of one another with resultant problems in coordination, communications, and direction. The conferees believe that a central locus of management authority—a Managing Director—is needed. We emphasize the importance of a strong Managing Director in improving overall Commission management. This position is now required.

Section 1253 requires that the FCC complete its rulemaking on a new Uniform System of Accounts as soon as practicable. The conferees concur with the General Accounting Office's criticism of the resources and staff to revise the USOA (Docket 78–196). The conferees expect the Commission to respond to the clearly demonstrated need for a revised USOA by establishing a schedule, together with the necessary staff and resources, that will ensure completion of this proceeding within two years.

SUBCHAPTER B—NATIONAL TELECOMMUNICATIONS AND INFORMATION AGENCY AUTHORIZATION OF APPROPRIATIONS

The Senate bill included section 442–1 authorizing expenditures of $16,500,000 in Fiscal Year 1981 for the National Telecommunica-

tions and Information Agency (NTIA). There was no similar provision in the House bill, but the House passed H.R. 3240 on June 9, 1981 authorizing $16,467,000 for NTIA.

Section 1255 authorizes appropriations of $16,483,500 for the National Telecommunications and Information Agency (NTIA) for Fiscal Year 1982. NTIA is in the Department of Commerce, and now has an indeterminate or permanent authorization.

At the present time, NTIA has two functions. First, it (through delegation from the Secretary of Commerce) discharges the President's statutory responsibilities to manage the federal government's use of the radio frequency spectrum. Second, it is the primary agency responsible for the formulation of telecommunications and information policy and is the spokesman for the executive branch on these issues.

In view of NTIA's important responsibilities, and because they directly relate to matters before the FCC, the conferees believe it appropriate to strengthen Congressional review of NTIA activities through the process of an annual authorization.

TITLE XIII—FOREIGN AFFAIRS AND INTERNATIONAL ACTIVITIES

Foreign Assistance and Foreign Affairs Agencies

The House bill contains language setting forth the instructions to the House Foreign Affairs Committee under the First Concurrent Resolution on the Budget for Fiscal Year 1982 regarding reconciliation.

The Senate amendment contains no comparable provision.

The Conference substitute is the same as the Senate position.

The House bill establishes the following ceilings on the amounts authorized to be appropriated for the following programs for fiscal years 1982, 1983 and 1984:

[In thousands of dollars]

Fiscal year 1982:	
1. American schools and hospitals abroad	$20,000
2. International organizations and programs (voluntary contributions)	225,650
3. International narcotics control	37,700
4. International disaster assistance	27,000
5. Inter-American Foundation	12,000
6. Peace Corps	105,000
7. International organizations and conferences (assessed contributions)	494,591
8. International communicaion agency-salaries and expenses	452,187
9. Arms Control and Disarmament Agency	18,268
10. Board of International Broadcasting	98,317
11. African Development Foundation	2,000
Fiscal year 1983:	
1. American schools and hospitals abroad	20,000
2. International organizations and programs (voluntary contributions)	278,403
3. International narcotics control	41,055
4. International disaster assistance	27,000
5. African Development Foundation	2,178
6. Peace Corps	114,345
7. International organizations and conferences (assessed contributions)	491,159
8. Board of International Broadcasting	115,031
9. Arms Control and Disarmament Agency	19,894
Fiscal year 1984:	
1. American schools and hospitals abroad	20,000
2. International organizations and programs (voluntary contributions)	295,831
3. International narcotics control	43,625
4. International disaster assistance	27,000

5. African Development Foundation	2,314
6. Peace Corps	121,507
7. International organizations and conferences (assessed contributions)	493,100
8. Board for International Broadcasting	122,232

The Senate amendment provided fiscal year 1982 authorizations for the same programs which were contained in the House bill, except for the African Development Foundation, and International Communication Agency-Salaries and Expenses. The Senate amendment also set the FY 1982 authorizations at the same levels as the House FY 1982 ceilings except for the following:

1. American Schools and Hospitals Abroad	12,000
2. International Organizations and Programs (Voluntary)	229,050
3. International Organizations (Assessed)	454,491

The Senate amendment provided fiscal year 1983 authorizations only for the following:

1. International Organizations (Assessed)	451,159
2. Board of International Broadcasting	98,317

The Senate amendment provided no fiscal year 1984 authorizations.

The Conference substitute establishes ceilings on the amounts authorized to be appropriated for the following programs for Fiscal Year 1982 only:

1. American schools and hospitals abroad	20,000
2. International organizations and programs voluntary contributions	255,650
3. International narcotics control	37,700
4. International disaster assistance	27,000
5. Inter-American Foundation	12,000
6. Peace Corps	105,000
7. International organizations and conferences (assessed contributions)	454,591
8. International communicaion agency-salaries and expenses	452,187
9. Arms Control and Disarmament Agency	18,268
10. Board of International Broadcasting	98,317

The Senate amendment provides an effective date of October 1, 1981.

The House bill contains no comparable provision.

The Conference substitute is the same as the House position.

PUBLIC LAW 480

Public Law 480 interest rates and appropriation limits

(a) The Senate amendment increases the minimum interest rates on Public Law 480 title I loans from the present 2 per annum during the grace period and 3 percent thereafter, to 4 percent and 6 percent respectively (but not for any repayments that may be required under a title III agreement). The Senate amendment also makes certain conforming changes in Public Law 480 consistent with an interest rate increase.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

Adoption of the Conference substitute, allows time for additional review of the entire Public Law 480 issue, including the issue of interest rate levels. The House Foreign Affairs Committee has requested an Executive Branch study on Public Law 480 by December 31, 1981, including the potential for using terms and interest

rates on title I loans as incentives for developmental use of Public Law 480. House and Senate committees have expressed their intention to hold hearings on the subject. The Conference action will thus allow for careful review of these important matters without prejudice to eventual congressional action.

(b) The House bill in title I limits authorizations of appropriations and outlays for Public Law 480 as follows: for fiscal year 1982, appropriations of $1,304,836,000 and outlays of $1,311,557,000; for fiscal year 1983, appropriations of $1,354,844,000 and outlays of $1,355,966,000; and for fiscal year 1984, appropriations of $1,424,982,000 and outlays of $1,415,849,000.

The House bill in title VII places ceilings on the total Public Law 480 program of $1,856,400,000 in fiscal year 1982, $1,949,000,000 in fiscal year 1983, and $2,071,600,000 in fiscal year 1984. the program ceiling covers Public Law 480 funding both from appropriations, and from loan reflows and carryover from prior years.

The Senate amendment places ceilings on appropriations for Public Law 480 of $1,362,000,000 in fiscal year 1982, $1,193,000,000 in fiscal year 1983, and $1,252,000,000 in fiscal year 1984.

The Conference substitute places ceilings on appropriations for Public Law 480 of $1,304,836,000 for fiscal year 1982, $1,320,292,000 for fiscal year 1983, and $1,402,278,000 for fiscal year 1984.

Subtitle B—International Development Banks

Summary

The House bill contained authorizations and annual ceilings for multilateral development bank programs and provisions addressed to United States policy toward multilateral development banks. The Senate version contained no references to multilateral development banks, because the Foreign Relations Committee did not make reductions in the President's request for multilateral development banks in the programs within its legislative jurisdiction in order to conform to the instructions contained in the First Concurrent Budget Resolution (H. Con. Res. 115).

The Senate and House conferees agreed to retain authorizations and annual ceilings for multilateral development bank programs in the final bill, but to insert the appropriate figures to provide for United States participation in the multilateral development banks in accordance with the President's program and the action taken earlier by the Senate on authorizing legislation (the Senate passed S. 786 containing authorizations for the International Development Association and African Development Bank on April 29, 1981, and S. 1195 containing authorizations for the International Bank for Reconstruction and Development, the Inter-American Development Bank and Asian Development Bank on June 16, 1981). The Senate and House conferees also agreed at the insistence of the Senate conferees, to delete most of the policy provisions contained in the House bill. The conferees retained only three such provisions: repeal of certain reporting requirements, a requirement for consultations with Congress before financial commitments are made to any multilateral development bank by the Executive Branch in the future, and a provision directing the Secretary of the Treasury to consult with preresentatives of other member countries of multilateral development banks in order to establish guidelines specifying

the proportion of lending by each bank which ought to benefit needy people. The Senate conferees receded to the House conferees on retaining the latter provision primarily because a nearly identical provision had already passed the Senate in S. 1195.

The disposition of specific provisions of the House bill are as follows:

International Bank for Reconstruction and Development

The House provision, which authorizes United States participation in the general capital increase of the World Bank (International Bank for Reconstruction and Development) on the schedule proposed by the Administration and previously passed by the Senate in S. 1195, was agreed to. Not more than $109,720,549 could be made available for this purpose for each of the fiscal years 1982, 1983, and 1984.

International Development Association

The House provision, which authorizes United States participation in the sixth replenishment of the International Development Association, was agreed to with modifications to limit the maximum U.S. contribution for fiscal year 1982 at $850,000,000, and the maximum for fiscal year 1983 at $945,000,000, the remainder to be provided in fiscal year 1984.

African Development Bank

The House provision, which authorizes United States membership in, and a capital subscription to, the African Development Bank, was agreed to. Not more than $17,986,679 could be made available for this purpose for each of the fiscal years 1982, 1983, and 1984.

Inter-American Development Bank and Asian Development Bank

The House provision, which authorizes subscriptions of capital and contributions to the Inter-American Development Bank and Asian Development Bank, was agreed to with modifications to set the limits on U.S. participation in those institutions at the levels requested by the Administration and provided for by Senate passage of S. 1195 on June 17th. Not more than $175,000,000 could be made available to the Fund for Special Operations of the Inter-American Development Bank for fiscal year 1982, and not more than $105,000,000 for fiscal year 1983. Not more than $111,250,000 could be made available to the Asian Development Bank for fiscal year 1982 and not more than $44,500,000 for fiscal year 1983.

Opposition to assistance to certain countries

The House provisions requiring U.S. representatives to certain multilateral development banks to actively oppose loans to certain countries in certain circumstances were deleted at the request of the Senate conferees. The action was taken without prejudice to the disposition of similar provisions in other legislation in the future, and in accordance with the overall agreement to hold to a minimum the inclusion of non-financial items in the bill.

Targeting assistance to the needy

The House provisions, as modified and agreed to by the conferees (1) notes that the Inter-American Development Bank has adopted a target of directing 50% of its lending to needy people; (2) directs the Secretary of the Treasury to consult representatives of other member countries of multilateral development banks in order to establish guidelines specifying the proportion of the annual lending of each institution which should be designed to benefit needy people (those who are classified as "absolutely or relatively poor" under standards adopted by the World Bank and IDA—the standards specify that the incomes of those people are insufficient to provide adequate food, shelter, and the other essential requirements for achieving a basic minimum standard of living in their respective countries); and (3) requires the Secretary to report annually to Congress on progress toward meeting the specified targets. The version agreed to by the conferees is a compromise between very similar provisions in S. 1195 previously passed by the Senate and in the House bill. The conferees noted tht the appropriate proportion of the lending of multilateral development banks which ought to be designed to benefit needy people would vary somewhat with the nature of the bank and conditions in member borrowing countries. The International Development Association, for example, might appropriately set a higher target than 50%. On the other hand, a 50% target may be too high for some institutions in some situations.

Miscellaneous provisions

The House conferees accepted the Senate position that the fewest possible substantive provisions should be retained in the agreed version. Provisions concerning coordinating assistance, re-examining basic funding mechanisms, reporting on a new lending facility, and reporting on lending procedures, were deleted from the bill at Senate insistence. The conferees noted, however, that each of the specific points raised in the House provisions was currently under study by the Administration or would be studied in the near future. The conferees expect Congress to receive full and timely reports from the Administration covering all the items deleted from the bill.

The Senate conferees receded to the House with respect to retention of a House provision requiring the Secretary of the Treasury to consult extensively with the appropriate committees of the Congress prior to and during negotiations which could lead to U.S. financial commitments to multilateral development banks.

The Senate receded to the House with respect to retention of a House provision repealing certain reporting requirements established in previous legislation which are no longer justified. The conferees agreed to modify the House provision in order to delete a reference which would have eliminated the present statutory requirement for the Secretary of the Treasury to report annually on actions by multilateral development banks with respect to renewable energy resources in developing countries.

The conferees on the part of the House Committee on Interior and Insular Affairs and the Senate Committees on Energy and Natural Resources and the Select Committee on Indian Affairs (concerning their respective jurisdictions) met and agreed to recom-

mend that the House recede from its disagreement with the above-captioned portion of the Senate amendment to H.R. 3982 and agree to the same with such changes as are necessary:

(1) to limit spending levels for programs of the Department of the Interior (as defined) to $4,095,404,000 for fiscal year 1981, $3,970,267,000 for fiscal year 1982, $4,680,223,000 for fiscal year 1983, and $4,797,281,000 for fiscal year 1984;

(2) to include in the definition of the Department of the Interior the following:

(A) Alaska Native Fund amounts included in Bureau of Indian Affairs programs funded from Miscellaneous Trust Funds and Miscellaneous Permanent Appropriations accounts;

(B) Bureau of Land Management programs;

(C) Bureau of Mines programs;

(D) National Park Service programs other than the John F. Kennedy Center for the Performing Arts; (including those programs formerly administered by the Heritage Conservation and Recreation Service as of October 1, 1980);

(E) Offices of the Solicitor and the Secretary;

(F) Office of Surface Mining Reclamation and Enforcement program;

(G) Office of Territorial Affairs programs;

(H) United States Geological Survey program; and

(I) Bureau of Reclamation (including those programs formerly administered by the Water and Power Resources Service);

(3) to change the mandated minimun appropriation levels for various specified programs and activities contained in the House-approved legislation to minimum funding targets which should be a guide in the budget and appropriation process;

(4) to modify the House provisions dealing with increased application and rental fees for the oil and gas leasing program so that the application fee would be "not less than $25" rather than a $25 fixed fee and to replace the rental fee increase approved by the House with a study of the rental fee questions; and

(5) to limit spending levels for the Advisory Council on Historic Preservation, the Office of Federal Inspector for Alaska Natural Gas Transportion System, the Pennsylvania Avenue Development Corporation, and the United States Holocaust Memorial Council, for fiscal years 1981 through 1984.

Indian programs not covered

In making these recommendations, the managers on the part of the House and Senate emphasize that the programs administered by the Bureau of Indian Affairs, the Indian health program, and the Navajo-Hopi Commission have been removed from the reconciliation process and are not subject to the spending limitations contained in the recommendations outlined above. Specifically, with respect to the provisions of the House approved version of H.R. 3964 dealing with these matters, the Managers on behalf of the House are recommending that the House recede to the Senate amendment which contained no "caps" on these programs. The result of this recommendation is—and is intended to be—that these Indian-related programs continue to be implemented as heretofore

authorized by the Snyder Act, the Indian Health Care Improvement Act, and the Navajo-Hopi Settlement Act, as amended.

Water programs not covered

Similary, it is clear that programs administered by the Office of Water Research and Technology and the Office of Water Policy have, by definition, been excluded from the spending limitations imposed on the Department of the Interior.

Appropriation target levels

While the Managers on the part of the House agree to modify the mandatory spending levels included in the House-passed bill, they do so with the understanding that this concession is not intended to diminish the overriding interest in the program involved. The Managers strongly urge the executive agencies and the appropriations committees to take cognizance of these minimum funding targets in order to assure reasonable progress to accomplish the intended objectives and to assure a "good faith" effort to meet the commitments of prior Congresses.

Oil and gas leasing program

The Managers of the House and Senate agree that a minimum lease application fee of $25 is reasonable and recognize that, perhaps, a higher fee could be justified. The rental fee increase approved by the House, however, is not recommended by the Managers at this time. Rather, it was the consensus that this phase of the proposed change should be fully reviewed by the Secretary of the Interior and that a report, including such recommendations as he may deem appropriate, should be transmitted to the Congress no later than one year from the date of enactment of this provision. Such a delay in implementation of an increased rental fee will have minimal impact on the revenue side of the Federal budget and could result in the formulation of a more comprehensive solution better suited to the energy needs of the Nation and to producing income to offset the cost of the government.

TITLE XV—DEPARTMENT OF JUSTICE AND RELATED PROGRAMS

JOINT STATEMENT OF MANAGERS—SUBCONFERENCE 44

FEDERAL PRISON SYSTEM

House bill

The House bill contains no provision regarding the Federal Prison System.

Senate amendment

Section 1001 of the Senate amendment authorizes to be appropriated $358,282,000 for certain activities of the Federal Prison System for FY 1982.

Conference agreement

The Conferees agree to not include in the bill any provision regarding the Federal Prison System.

FOREIGN CLAIMS SETTLEMENT COMMISSION

House bill

The House bill contains no provision regarding the Foreign Claims Settlement Commission.

Senate amendment

Section 1003 of the Senate amendment authorizes to be appropriated $705,000 for the activities of the Foreign Claims Settlement Commission for FY 1982.

Conference agreement

The Conferees agree to not include in the bill any provision regarding the Foreign Claims Settlement Commission.

COMMUNITY RELATIONS SERVICE

House bill

The House bill contains no provision regarding the Community Relations Service.

Senate amendment

Section 1004 of the Senate amendment authorizes to be appropriated $5,313,000 for the activities of the Community Relations Service for FY 1982.

Conference agreement

The Conferees agree to not include in the bill any provision regarding the Community Relations Service.

INDOCHINESE REFUGEE ASSISTANCE

House bill

The House bill contains no provision regarding Indochinese refugee assistance.

Senate amendment

Section 1005 of the Senate amendment authorizes to be appropriated for Indochinese refugee assistance $583,705,000 for FY 1982, $570,214,000 for FY 1983, and $470,000,000 for FY 1984.

Conference agreement

The Conferees agree to a provision authorizing the appropriations authorized by the Senate amendment in FY 1982 only. The managers on the part of the Senate point out that the Conference agreement, by not authorizing appropriations for the Refugee Act of 1980 for fiscal years 1983 and 1984, changes nothing agreed to by the Senate Committees on Labor and Human Resources and the Judiciary (See CONG. REC. June 25, 1981, Part II, at S. 7040).

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PATENT AND TRADEMARK OFFICE

House bill

The House bill contains no provision regarding the Patent and Trademark Office.

Senate amendment

Section 1006 of the Senate amendment authorizes to be appropriated for the payment of salaries and expenses of the Patent and Trademark Office $118,961,000 for FY 1982, $118,067,000 for FY 1983, and $118,193,000 for FY 1984. The provision also authorizes the appropriation of such additional and supplemental amounts as may be necessary for increases in salary, pay, retirement or other employee benefits authorized by law.

Conference agreement

The Conferees agree to a provision authorizing the appropriations authorized by the Senate for FY 1982 only.

JOINT STATEMENT OF MANAGERS

Equal access to Justice Act

Section 13016 of the House bill amends section 504 of title 5 U.S. Code, and section 13017 of the House bill amends section 2412 of title 28 U.S. Code. The effect of these amendments is to amend the Equal Access to Justice Act in the following ways:

(1) modify the eligibility requirements to:

(a) require prevailing parties to have pecuniary loss in excess of $500 in their individual capacity;

(b) require prevailing parties to be engaged in carrying on a trade or business for profit where the amount in controversy is in excess of $500 in an adversary adjudication and is directly related to the conduct of such trade or business;

(c) require prevailing parties to be engaged in carrying on a trade or business for profit and the adjudication involves a violation of the Regulatory Flexibility Act;

(d) remove the section 501 (c) (3) organization's eligibility exception;

(e) remove an agricultural cooperative's eligibility exception;

(2) require an itemized statement of the computation method for attorney's fees;

(3) require that the amount to be awarded shall not be disproportionate to the amount in controversy;

(4) require that awards be limited to the amount of any legally enforceable obligation that the party would have been required to pay in the absence of an award under the Equal Access to Justice Act;

(5) require that the fees and expenses awarded shall be paid by the particular agency over which the party prevails from its own appropriations and that no specific appropriation for this purpose shall be made.

The Senate bill contains no such provisions.

The conferees agree that the House shall recede, thereby leaving no provisions in the bill with regard to the Equal Access to Justice Act.

JOINT STATEMENT OF MANAGERS

LEGAL SERVICES CORPORATION

Section 1137 of the Senate amendment provides an amendment to the Legal Services Corporation Act authorizing appropriations for the Corporation of $100 million for fiscal year 1982 and $100 million for fiscal year 1983.

The House bill has no such provision.

The conferees agree that the Senate shall recede, thereby leaving no provisions in the bill with regard to the Legal Services Corporation.

Also include in the explanatory statement accompanying the Conference Report the following:

It is the intention of the Conferees that the Office of Juvenile Justice and Delinquency Prevention focus increased attention to problems of the serious juvenile offender, particularly with regard to restitution programs and Project New Pride. The Conferees also recommend that continued attention be payed to training, education, technical assistance and practical research related to police, prosecutors, youth workers, volunteers and others working with juveniles and juvenile delinquency related problems.

The House agrees to same.

House Mangers:
CARL D. PERKINS,
IKE ANDREWS,
BALTASAR CORRADA,
PAT WILLIAMS,
HAROLD WASHINGTON,
JOHN M. ASHBROOK,
THOMAS E. PETRI,
E. THOMAS COLEMAN,
WENDELL BAILEY.

Senate Managers:
STROM THURMOND,
PAUL LAXALT,
DENNIS DECONCINI.

TITLE XVI—MARITIME AND RELATED PROGRAMS

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The mangers on the part of the House and the Senate at the conference on the disagreement of the Senate to the bill, H.R. 3982, Title IX, Subtitle A (Maritime Programs), submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommend in the accompanying conference report:

Authorization for Maritime Administration

Consistent with funding levels requested by the President, section 9001 authorizes $502.5 million for FY 82 for certain maritime programs: (1) $417.1 million for payment of obligations incurred for operating differential subsidies (paid to U.S. companies to enable

them to operate U.S.-flag ships competitively in the U.S.-foreign trade by offsetting the excess cost of operation U.S. vessels over comparable foreign vessel operating costs); (2) $10.5 million for research and development, including operation of the Computer Aided Operations Research Facility (CAORF) located at Kings Point, N.Y.; and (3) $74.9 million for operations and training (including reserve fleet expenses, the U.S. Merchant Marine Academy, the six state maritime academies, and other expenses).

The conferees have increased the amount authorized for reseach and development by $2 million over the House figure in a compromise designed to insure continued operation of CAORF, a highly sophisticated maritime research simulator built in 1975 at a cost to the government of $14.5 million. While other training simulators are currently operating, CAORF is the first simulator dedicated to research. It is capable of testing vessel operations in ports and waterways, standards for training and licensing, bridge system design and criteria, standards for watchkeeping performance, and ship response requirements. In addition to conducting its own research and development at CAORF, the Maritime Administration has cost-shared programs and joint ventures with other government agencies and industry users. CAORF thus represents an important vehicle for cooperative efforts to improve safety and productivity in the U.S. merchant marine. Because the $2 million being directed to CAORF is substantially less than the $3.2 million available last year, the conferees expect to see efforts to increase industry participation in underwriting the cost of its operation.

This compromise also authorizes approximately $2.5 million more in assistance to the state maritime academies than the Senate bill would have authorized. This money should be used for the necessary rehabilitation of the five training vessels provided by the federal government so that the cadets can continue to meet sea-time requirements.

TITLE XI—AUTHORITY

The conferees have agreed to increase by $700 million the Title XI loan guarantees available for merchant ship construction by transferring $350 million from the fishing vessel and fishery facility program and $350 million from the ocean thermal energy conversion (OTEC) program. This means that loan guarantees in the amount of $850 million will be available for fishing vessels and fishery facilities and that $1.65 billion will be available for OTEC demonstration projects.

By setting an $850 million ceiling on commitments to guarantee loans for fishing vessels and shoreside processing plants the conferees intend to set this program squarely on its own two feet. Instead of incidentally benefitting from adjustments to the general Title XI fund, the requirements of the fishing industry for future increases in loan guarantee authority can be addressed directly. Loan guarantees for this program will be committed on the basis of a single economic soundness test. The $850 million ceiling exceeds the roughly $350 million in currently outstanding obligations, thus leaving substantial room for growth of the program. This ceiling demonstrates continued support for inducing investment in this ailing industry.

Despite the reduction from $2 billion to $1.65 billion in Title XI loan guarantees for OTEC demonstration plants, the Conference Committee recognizes the importance of OTEC as an alternative to fossil fuels and the export potential of the technology. This reduction does not represent a change in the support of OTEC by the Congress, reflected in two major 1980 laws—the Ocean Thermal Energy Conversion Act of 1980 (P.L. 96-320) and the OTEC Research, Development, and Demonstration Act (P.L. 96-310). Nor does it represent a precedent for future cuts.

On the contrary, because of the high initial cost and long lead time associated with an OTEC demonstration plant and the variety of plant concepts and sites required to demonstrate the commercial viability of this new industry, the Conference strongly opposes future reductions in the fund.

The commercialization of OTEC requires the cooperation of the evolving industry, the federal govenment, financial institutions, and the Congress. The loan guarantee program is an essential element in helping the industry get started, providing a significant incentive for investment and contributing to a predictable investment climate.

Freight-forwarder regulation amendment

The Shipping Act amendment broadens competition in the freight forwarder business while protecting the public from illegal rebating. The managers wish to provide the Federal Maritime Commission with the opportunity to determine the enforceability of the protections provided by the amendment. Thus, they agree that the new definition and the revised "independence" test be effective through 1983. The Federal Maritime Commission must report to Congress six months prior to the expiration date on its ability to regulate the economic activity that is the subject of this legislation. The conference managers do not, by establishing a cut-off date, imply that the provisions amending the Shipping Act, 1916, not be made permanent; on the contrary, the managers established the termination date expressly to allow the Federal Maritime Commission to assess its enforceability, so that Congress will benefit from the experience gained by this trial period when it reconsiders this issue.

Build Foreign Amendment

The Conference managers agreed to the temporary authority to approve operating subsidy contracts for operators of foreign-built, United States-flag vessels because of the lack of new funding for construction differential subsidy in fiscal year 1982 and the possibility that funding may be at relatively low levels in succeeding years. However, they modified the requirement that the provision be effective "only if the President, in his annual budget message . . . requests at least $100,000,000 in Construction Differential Subsidy" by allowing, as an alternative, the proposal of an equivalent program. "Equivalent merchant shipbuilding" means non-governmental ship construction or reconstruction, having a value of at least $200,000,000 (the estimated value of the shipbuilding which would have been generated by the appropriation of

$100,000.000 to the Construction Differential Subsidy program). The managers further agreed that "alternate program" may include, but need not be limited to, a program of tax incentives which are targeted for the merchant marine. For example, it is not the intent of the managers that a tax depreciation benefit that is available generally, be construed as an "alternate program."

Deferral of fiscal year 1981 construction differential subsidy monies

The Conference Managers agreed to strike Section 9015 of H.R. 3982.

Under current law, $37 million of the funds appropriated for CDS have been deferred to fiscal year 1982 pursuant to the Supplemental Appropriations bill for fiscal year 1981 (P.L. 97-12). The conference managers believe that the limited CDS money deferred to fiscal year 1982 could prudently be used for strengthening the National Defense Reserve Fleet (particularly the Ready Reserve Fleet), to trade in commercially obsolete vessels, for national defense features, or possibly for the reconstruction or reconditioning of existing vessels serving current trade routes, if such vessels are not authorized to be reconstructed abroad.

"The Merchant Marine and Fisheries Committee proposed that ocean dumping fees of $5.00 per wet ton be imposed in fiscal years 1983 and 1984. This action satisfied the assumption of the First Concurrent Budget Resolution that the Committee would effect savings of $200 million in FY 1983 and $300 million in 1984, an instruction that originated with the Senate Budget Committee's desire to impose Coast Guard user fees. In fact, the CBO estimates that the savings resulting from ocean dumping fees would be $400 million per year.

In view of the conflict between section 9401 and section 11141, added by the House Public Works and Transportation Committee, and the absence of language on ocean dumping fees in S. 1377, the conference managers recommend that the House recede to the Senate position. In doing so, the managers recognize that the Merchant Marine and Fisheries Committee has fully complied with its reconciliation responsibilities in this area. The conference managers observe that dropping of the ocean dumping fee proposal will not lead to a future reconciliation instruction to the Merchant Marine and Fisheries Committee to achieve savings in FY 1983 and FY 1984 by imposing ocean dumping fees or assessing fees on users of Coast Guard services.

There is strong bipartisan opposition to Coast Guard user fees in that such a proposal represents a dramatic reversal of traditional policy."

Joint explanatory statement of the committee on conference

The managers on the part of the House and the Senate at the conference on the disagreement of the Senate to the bill, H.R. 3982, Title IX, Subtitle A, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommend in the accompanying conference report:

Continued care for hospitalized seamen

While the agreement reached ends the 200 year entitlement to free medical care, the bill provides a limited one-year extension of free care to American seamen who have been admitted for care before October 1, 1981, and who are, for that illness or injury, unable to receive care elsewhere. The Secretary, who would determine whether the beneficiary qualifies for continued care, is governed by provisions limiting the duration of care to that care necessary to complete the treatment started prior to October 1, 1981. The conference managers understand that whatever small costs may result will have no measurable impact on the substantial savings achieved by the elimination of free care generally.

Thus, section—provides a humanitarian transition for those seamen who, at the time of termination of the entitlement to free care generally, have been admitted for care and who are without means to continue their treatment.

TITLE XVII

SUBTITLE A—CIVIL SERVICE PROVISIONS

Pay cap on Federal employees (Sec. 1701)

Section 10001 of the House bill and section 901 of the Senate amendment provide that the fiscal year 1982 pay adjustment for both General Schedule and prevailing rate employees shall not exceed 4.8 percent. Under both bills, the President's authority to submit an alternative pay plan calling for even a lower pay adjustment is not disturbed. The House bill, but not the Senate amendment, limits the fiscal year 1983 and fiscal year 1984 pay adjustment to 7 percent each year.

The House recedes to the Senate.

Annualization of cost-of-living adjustments (Sec. 1702)

Section 10002 of the house bill and section 902 of the Senate amendment amend the civil service retirement law to shift from twice-a-year to once-a-year cost-of-living adjustments for civil service retirees and their survivors. Under the amendment the September COLA is eliminated and the March COLA is based on the change in the consumer price index occurring over the preceding 12-month period ending in December. As a result of a provision contained in the Department of Defense authorization bill for fiscal year 1981 (Public Law 96-342), this amendment will trigger an identical change in the cost-of-living adjustments for military retirees.

Coordination of Federal employees health benefits program and medicare

Section 10003 of the House bill amends the Federal Employees Health Benefits (FEHB) law to prohibit any FEHB plan from paying for any item or service for any individual who is covered under Medicare if payment would be made for such item or service by Medicare if the individual were not covered under the FEHB program. the effect of this amendment is to fix in law the existing relationship between Medicare and the FEHBP. Under existing

law, Medicare is the primary payor of medical expenses of retired Federal employees who are eligible for Medicare benefits and the FEHBP provides supplemental coverage.

The Senate amendment contains no comparable provisions.

The House recedes to the Senate.

Awards for the disclosure of waste, fraud, and mismanagement (Sec. 1703)

Section 10004 of the house bill authorizes payment of cash awards to employees whose disclosures of waste, fraud, or mismanagement result in cost savings to the Government. At the agency level, Inspectors General are authorized to pay cash awards limited to the lesser of $10,000 or one percent of the agency's cost savings. The President is authorized to give up to 50 awards of $20,000 each year to employees whose disclosures result in substantial cost savings to the Government.

The Senate amendment contains no comparable provisions.

The conferees agreed to the House provision with two significant amendments. The first amendment requires the agency Inspectors General to furnish to the Comptroller General documentation substantiating any cash award made under the new provisions. The Comptroller General is required to review periodically both the awards which are made by the Inspectors General and the procedures used in making such awards in order to verify the cost savings for which the awards were made. The Comptroller General oversight requirement was added by the conferees to assure integrity in the cash awards program. The conferees want assurance that awards are made only for real cost savings and not for cost savings achieved merely by shifting costs to another agency or by contracting work out to the private sector.

The second amendment agreed to by the conferees provides that no award may be made under the new cash awards program after September 30, 1984. The three-year life of the program conforms with the three-year reconciliation instructions and provides opportunity for Congressional review of the effectiveness of the cash awards program.

Reductions in force of career senior executives (Sec. 1704)

Section 10005 of the House bill provides that a career appointee in the Senior Executive Service (SES) whose position is abolished or modified due to a reduction in force is entitled to be assigned to another SES position for which the appointee is qualified. If no suitable position is available in the agency, the Office of Personnel Management (OPM) must place the career appointee in a SES position in some other agency of the Government. An appointee who is not reassigned within his agency and who declines a reasonable offer of placement by OPM may be removed from the civil service. A removed appointee may challenge the reasonableness of the placement offer by appealing to the Merit Systems Protection Board (MSPB).

The Senate amendment contains no comparable provision. The conferees agreed to the House provision with an amendment making several changes discussed below.

The conference report provides that agencies must establish competitive procedures for determining who shall be removed from the

Senior Executive Service in any reduction in force of career appointees. It also provides that such determinations shall be based primarily on the performance of the appointees subject to the reduction in force.

The conference report generally retains the House provisions protecting career appointees, although only those who have completed the required probationary period are protected. Under existing law, appointees removed during the probationary period already have certain protection. The conferees intend that individuals who were not required to complete probationary periods because they converted to career SES appointments under section 413 of the Civil Service Reform Act of 1978, shall be deemed to have successfully completed a probationary period for purposes of qualifying for the protection provided.

One major modification permits the removal of a career appointee who OPM is unable to place during the 120-day period following certification by the employing agency head that there is no vacant SES position in that agency for which the career appointee is qualified. The report also expressly provides that OPM must take all reasonable steps to place a career appointee, and that it is the agency head who makes the determination of whether a career appointee is qualified for any position to which placement is proposed. Until a career appointee is either placed by OPM or removed, the appointee remains on the agency payroll. An appointee who is removed is entitled to severance pay under section 5595 of title 5, United States Code.

The conference report retains the House provision permitting a career appointee to appeal any removal for failure to accept a reasonable offer for placement, and provides additional appeal rights with respect to (1) whether an agency reduction in force complied with the competitive procedures required and (2) in the event the career appointee is not placed in a position by OPM, whether OPM took all reasonable steps to place the career appointee.

The conference report provides additional protection for those career appointees who were on board on May 31, 1981. Such a career appointee may not be removed as the result of a reduction in force unless the Director of OPM certifies to the Committees on Post Office and Civil Service and Governmental Affairs that (1) the Office has taken all reasonable steps to place the career appointee, and (2) due to the highly specialized skills and experience of the career appointee, the Office has been unable to place the career appointee. In addition such a career appointee, if removed due to a reduction in force, is entitled to be reinstated to any vacant SES position in his former agency for which he is qualified if he applies for that vacant position within one year after OPM receives the agency head's certification discussed above. An appointee may appeal to MSPB an agency head's determination that he is not qualified for the position to which he is seeking reinstatement.

The conference report retains those provisions of the House bill which amend subchapter V of chapter 75 of title 5, United States Code, to ensure the procedures therein relating to removal or suspension of career appointees are limited to cases involving disciplinary action. Consistent with existing policy, the conferees intend that failure to accept a directed reassignment or failure to accompany a position in a transfer of function would constitute grounds

for disciplinary action under the subchapter. The regulatory authority of OPM is unchanged by these provisions, and the conferees stress that any exercise of this regulatory authority should be consistent with the provisions of section 2302(b)(10) of title 5, concerning the relationship between conduct and job performance.

Voluntary State income tax withholding for annuitant (Sec. 1705)

Section 10006 of the House bill requires the Office of Personnel Management to enter into agreements with States to withhold State income taxes from the annuities of civil service annuitants who request such withholdings. The amounts withheld will be disbursed to the States on a quarterly basis.

The Senate amendment contains no comparable provisions.

The conferees agreed to the House provision with several technical amendments designed to assist the Office of Personnel Management in the administration of the new withholding provisions.

The first amendment provides that the amounts withheld from annuities for State income taxes shall be held in the Civil Service Retirement Fund pending quarterly disbursement to the States. This ensures that any interest earned on such amounts will accrue to the benefit of the Fund.

The second amendment limits the number of withholding requests that an annuitant may have in effect to two requests during any one calendar year.

The third amendment provides that any change in withholding requested by an annuitant shall be effective on the first day of the month after the month in which the request for change is processed by OPM but in no event later than on the first day of the second month beginning after the day the request is received by OPM. This amendment will allow OPM at least 30 days in which to act on an annuitant's request even when the request is received at the end of the month.

The fourth amendment provides authority for OPM to collect any erroneous payments to States which may occur under the withholding program.

The final amendment makes the Civil Service Retirement and Disability Fund available for any administrative expenses incurred by OPM in the initial implementation of the withholding program.

SUBTITLE B—POSTAL SERVICE PROVISIONS

Authorizations for public service appropriations (Section 1721)

Section 10101 of the House bill authorizes $200 million for FY 1982, $100 million for FY 1983, and zero for FY 1984, resulting in savings of $444 million, $452 million, and $460 million respectively. The House bill does not alter the existing permanent authorization of $460 million for each year after FY 1984.

Section 903 of the Senate amendment authorizes $300 million for FY 1982, $150 million for FY 1983, and zero for FY 1984, resulting in savings of $344 million, $402 million, and $460 million respectively. The Senate amendment eliminates the existing permanent authorization of $460 million for each year after FY 1984.

The Senate recedes to the House with an amendment providing for an authorization of $250 million for FY 1982.

Continuation of six-day mail delivery (Section 1722)

Section 10102 of the House bill provides that, during fiscal years 1982 through 1984, the Postal Service shall take no action to reduce or to plan to reduce the number of days each week for regular mail delivery.

The Senate amendment contains no comparable provision.

The Senate recedes to the House.

Reduction of authorization for revenue foregone (Section 1723)

Section 10103 of the House bill reduces authorizations to $728 million for FY 1982, $792 million for FY 1983, and $877 million for FY 1984, resulting in savings of $384 million, $383 million, and $424 million respectively. The savings are achieved by terminating the "phasing" authorization for second-class in-county mail and for third-class bulk nonprofit mail, and by reducing the authorizations for the other second-class and fourth-class subclasses by 10% in FY 1982, 10% in FY 1983, and 20% in FY 1984.

Section 903 of the Senate amendment permanently "caps" the total revenue foregone authorization for all subsidized classes of mail at $500 million for FY 1982 and every year thereafter. The resultant savings are $612 million for FY 1982, $675 million for FY 1983, and $801 million for FY 1984.

The conference report provides that the amount authorized to be appropriated for revenue foregone shall not exceed $696 million for FY 1982, $708 million for FY 1983, and $760 million for FY 1984. Authorizations for years after FY 1984 are not altered by the conference report.

The conference report further provides that if, in any of these three fiscal years, the full amount which would have been authorized to be appropriated for revenue foregone exceeds these limitations, the Postal Service will adjust rates for third-class bulk nonprofit mail to the level necessary to recover the difference in the two amounts. And so, for example, if the amount necessary to fully fund revenue foregone for FY 1982 is $780 million, the shortfall resulting from the limitation of $696 million would be $84 million. The Postal Service would then adjust the third-class bulk nonprofit rates to the level necessary to recover that $84 million. That adjustment would be made in accordance with the same procedure used to adjust rates under section 3627 of title 39, United States Code. The Postal Service need not seek a recommended decision from the Postal Rate Commission.

The conference agreement further provides that if, for any of the three fiscal years, the amount actually appropriated for revenue foregone is less than the maximum amount of the limitation imposed by the conference agreement, then the difference between those two figures may be recovered by the Postal Service by adjusting rates for all subsidized classes of mail (except the free for the blind and handicapped class) in accordance with section 3627 of title 39, United States Code. And so, for example, the maximum amount authorized to be appropriated for revenue foregone for FY 1982 is $696 million. If the amount necessary to fully fund revenue foregone for FY 1982 is $780 million, but Congress only appropriates $600 million, under the conference agreement the following would happen. First, the difference between the authorized maximum amount for FY 1982 ($696 million) and the full funding

amount ($780 million) would be recovered by the Postal Service by adjusting third-class bulk nonprofit rates. Then, the difference between the authorized maximum amount for FY 1982 ($696 million) and the amount actually appropriated ($600 million), would be subject to recovery by the Postal Service in accordance with section 3627 of title 39, United States Code, which would entail proportional rate adjustments for all subsidized classes of mail (including all second-class, third-class, and fourth-class categories), except that the free for the blind and handicapped class is completely exempted from adjustment by the conference agreement.

Reduction of transitional appropriations (Section 1724)

Section 10104 of the House bill defers until FY 1985 the authorization of $69 million for FY 1982, $69 million for FY 1983, and $51 million for FY 1984, and requires that the Postal Service meet its transitional obligations from other revenues.

The Senate amendment contains no comparable provision.

The Senate recedes to the House.

Quarterly payments of appropriations to the Postal Service fund (Section 1725)

Section 10105 of the House bill requires that yearly appropriations to the Postal Service pursuant to sections 2401 and 2004 of title 39, United States Code, be made in equal quarterly segments, rather than in one lump sum, as under current law. This provision would result in interest savings to the U.S. Treasury of $46 million in FY 1982, $39 million in FY 1983, and $34 million in FY 1984.

The Senate bill contains no comparable provision.

The Senate recedes to the House.

Prohibition of 9-digit zip code (Section 1726)

Section 10106 of the House bill prohibits the Postal Service from taking any action to implemnent its "ZIP+4" program during the period beginning on the date of the bill's enactment and ending on September 30, 1983. During the same period, no Executive agency is permitted to take any action to conform its mailing procedures to the requirements of the "ZIP+4" program.

The Senate amendment contains no comparable provision.

The conference report prohibits the Postal Service from implementing the "ZIP+4" program before October 1, 1983, but allows the Postal Service to take all steps preparatory to implementation. These steps include, but are not limited to, the purchase of optical character readers, channel sorting machines, bar code printers, and all other necessary equipment; the dissemination of information concerning the program; assistance to mailers who convert their mailing procedures to conform to the new program; the training of personnel in the operation of the new system; and any necessary litigation before the Postal Rate Commission or the Federal courts.

The conferees intend that the Postal Service shall be prohibited from offering any rate discount for nine-digit coded mail before October 1, 1983.

Although the Postal Service may install the necessary equipment for use with "ZIP+4", the conferees intend that, prior to October 1, 1983, it may be used only with existing 5-digit ZIP codes, except

that 9-digit testing by mailers and the Postal Service may begin as currently scheduled in January 1983.

The conference report prohibits any Executive agency from taking any steps to conform its mailing procedures to the requirements of the "ZIP+4" program before January 1, 1983.

The conferees agree to ask the General Accounting Office to study the "ZIP+4" system and report its findings to Congress on December 1, 1982. GAO will be directed to study the accuracy and reliability of the new machinery and the cost effectivess of the "ZIP+4" system as a whole; in addition GAO will be asked to suggest improvements in the Postal Service proposal.

Effective date (Section 1727)

Section 10107 of the House bill specifies that the bill's postal provisions shall take effect on October 1, 1981, except for section 10106 (the ZIP code provision), which shall be effective upon enactment.

The Senate amendment contains no comparable provision.

The conference agreement provides that its postal provisions shall take effect on October 1, 1981, except that the ZIP code provision (and the effective date provision itself) shall take effect upon enactment.

SUBTITLE C—GOVERNMENTAL AFFAIRS GENERALLY

PART 1—CONSULTANTS AND TRAVEL

SECTION 1731—REDUCTION IN EXPENDITURES FOR CONSULTANTS

House bill.—The House bill contains no provision relating to reduction in expenditures for consultants.

Senate amendment.—Section 905 of the Senate amendment requires a reduction in obligations for consultant services, management and professional services, and special studies and analyses for all departments, agencies, and instrumentalities of the Executive Branch. Such obligations are to be $500 million less than the total proposed in the President's Budget for fiscal year 1982, as amended and supplemented. The Director of the Office of Management and Budget is responsible for allocating such reductions among the departments, agencies, and instrumentalities of the Executive Branch.

Conference agreements.—The conferees agreed to the Senate provisions with an amendment.

Under Section 1731, as agreed upon by the conference, the President is to submit a rescission bill in January 1982 to reduce the amount of funds appropriated for fiscal year 1982 which may be obligated for consultant services, management and professional services, and special studies and analyses for the Executive Branch. The bill must be accompanied by a special message containing matters required under the Impoundment Control Act and must allocate the reduction within the Executive Branch.

The amount of reduction required to be contained in the rescission bill is $500 million less the difference between the amounts which can be identified in the January 15, 1981, Budget for fiscal year 1982 for consultant services, management and professional services, and special studies and analyses and the amounts appropriated for fiscal year 1982 for such purposes. The special message

accompanying the rescission bill must identify amounts in the appropriations acts and in the budget on the basis of which the reduction is calculated.

For purposes of this provision, the conferees expect that the Executive Branch's definition of the types of services included, as found in Executive Branch directives including OMB Circular A-120, OMB Bulletin 81-8, and Federal Procurement Data System codes R401-R499 and R501-R599, will be used in order to facilitate a uniform and consistent application of the provision.

SECTION 1732—REDUCTION IN EXPENDITURES FOR TRAVEL BY FEDERAL EMPLOYEES

House bill.—The House bill contains no provision relating to reduction in expenditures for travel by Federal employees.

Senate amendments.—Section 906 of the Senate amendment requires a reduction in obligations for travel and transportation of persons and transportation of things for officers and employees of all departments, agencies, and instrumentalities of the Executive Branch. Such obligations are to be $550 million less than the total proposed in the President's Budget for fiscal year 1982, as amended and supplemented. The Director of the Office of Mangaement and Budget is responsible for allocating such reductions among the departments, agencies, and instrumentalities. The Director is prohibited from reducing amounts to be allocated for debt collection, supervision of loans, necessary and essential law enforcement activities, all emergency defense activities. In addition, no department's obligations for such items may be reduced by more than fifteen percent of the amount proposed in the fiscal year 1982 Budget.

Conference agreement.—The conferees agreed to the Senate provision with an amendment. Section 1732 will effect a $100 million reduction in the direct administrative travel of persons within the Executive Branch of the Federal Government. Under this section, the President is required to submit a rescission bill in January 1982 to reduce the amount which may be obligated for direct administrative travel of persons within the Executive Branch. The amount of the reduction required to be contained in the rescission bill shall be $100 million less the difference between the amounts which can be identified in the Budget for Fiscal Year 1982 transmitted on January 15, 1981, for direct administrative travel, and the amounts appropriated for fiscal year 1982 for such purposes.

A special message specifically allocating the reduction within the Executive Branch must accompany the rescission bill. The special message must also identify amounts in the approriations acts and in the budget on the basis of which the reduction is calculated.

The President's allocation of such reductions contains the same restrictions as did Section 905 of the Senate amendment.

PART 2—BLOCK GRANT FUNDS

House bill.—Title XVI of the House bill sets forth administrative and procedural requirements that must be met by States receiving block grant funds. The individual provisions of Title XVI of the House bill are as follows:

SECTION 1601—DISTRIBUTION OF BLOCK GRANT FUNDS

Section 1601(a) provides a generic description of the block grant programs which are to be subject to the requirements of Title XVI. Such programs are those receiving funds under the Budget Reconciliation Act or any other law, as long as they (1) distribution money only to States, and (2) prescribe the amount such States will receive on the basis of the amount they received under a terminated program which previously had distributed money to political subdivisions of the States. The subsection further requires that the State establish a formula for the distribution of block grant funds on an equitable basis in accordance with the requirements of Section 1601(b) and make the report required by Section 1602.

Section 1601(b) specifies requirements that the States must meet in distributing block grant funds under programs defined in Section 1601(a). These requirements include (1) assuring that effective programs which service demonstrated needs, and which previously were funded under programs consolidated into the block grants, continue to be funded, (2) assuring parity in distribution of funds for rural areas and small cities, and (3) assuring fairness of competition in applying and bidding for funds.

SECTION 1602—REPORTING

Section 1602(a) requires that the chief executive officer of the State, before distributing block grant funds, prepare a public report on the intended use of funds. The subsection specifies required elements of the report, including information on what activities will be supported, geographic areas to be served, who will receive the services to be funded by the block grant, and the method and formula which has been established to distribute the funds.

Section 1602(b) requires that the above report be publicized in a manner that will facilitate comment both while the report is being developed and after it is completed. It also requires that the report describe a process allowing for public review, appeal of programs selected to be funded, and appeal of selection of delivery mechanisms. The subsection also requires revision of the report throughout the year as necessary to reflect substantial changes in the activities which are funded by the block grants.

Section Section 1602(c) contains requirements of documentation which must be included in the State's block grant report. Under this subsection, the documentation must be sufficient to substantiate (1) that funding is adequate to carry out the purposes of funded programs, (2) the selection of entities to receive funds, (3) that a previously funded program which was consolidated into a block grant for which funding is discontinued or reduced by more than one-half has not proven effective, and (4) that a delivery entity for which funding is discontinued has not proven effective in carrying out the program.

Senate amendment.—The Senate amendment contains no comparable provision.

Conference agreement.—The conference agreement provides for five new sections, Sections 1741 through 1745, setting forth procedural and administrative requirements for block grant funds. The purpose of the first three of these sections is to provide for a par-

ticipation and reporting process at the State level to help assure that local governments, interested individuals and groups within a State have an opportunity to comment on planning for the expenditure of block grant funds authorized in this Act. These sections provide minimum requirements and are not intended to supersede more detailed reporting and participation provisions that may be part of individual block grants contained in this Act. In addition, it is not the conferees' intent to effect any change in the delivery mechanism or administering entity of any block grant program.

By providing a process for public comment, it is anticipated that programs of highest priority in terms of the needs of the residents of a State will be identified and that the funding and design of these programs will result in a distribution that treats urban and rural local governments, their residents and other entities, such as non-profit organizations, in an equitable manner.

The last two sections pertain to grant auditing.

SECTION 1741—DISTRIBUTION OF BLOCK GRANT FUNDS

Section 1741(a) sets forth the purposes of the requirements of this part. The requirements are intended to help assure the allocation of block grant funds for programs of special importance to meet the needs of local governments, their residents, and other eligible entities. In addition, they are designed to assure that all eligible urban and rural local governments, their residents, and other eligible entities are treated fairly in the distribution of such funds. In this regard, it is the intent of the conferees that rural areas will be treated fairly in relation to urban areas in the distribution of block grant funds.

Section 1741(b) defines the terms "block grant" and "State". For purposes of this part, the term "block grant" applies only to programs authorized in this Act which are intended to be used to any extent, at the discretion of State governments, for programs discontinued by this Act, and which were funded, immediately before its enactment, by Federal government allocations to units of local government or other eligible entities, or both. It is the intent of the managers that this definition of a block grant not apply to that portion of funds (for example, as in the Educational Program Consolidation) that are paid to a State with the requirement that they automatically be passed through to sub-State entities under a formula established by Federal law.

SECTION 1742—REPORTS ON PROPOSED USE OF FUNDS; PUBLIC HEARINGS

Section 1742(a) requires each State to prepare a report on the proposed use of block grant funds received by that State. The subsection specifies information required in the report, including (1) a statement of goals and objectives, (2) information on the types of activities to be supported, geographic areas to be served and categories or characteristics of individuals to be served, and (3) the criteria and method estabished for the distribution of the funds, including details on how the distribution of funds will be targeted on the basis of need to achieve the purposes of the block grant funds. Beginning in fiscal year 1983, the report also must include a description of how the State has met the goals, objectives, and needs in

the use of funds for the previous year which the report for that year had identified. The conferees do not intend that the report required by this subsection by voluminous or more extensive than is necessary to publicize adequately the information specified in this subsection.

Section 1742(b) requires that the report prepared by a State pursuant to subsection (a) and any changes in such report be made public within the State on a timely basis and in such manner as to facilitate comments from interested local governments and persons.

Section 1742(c) prohibits any State from receiving block grant funds for any fiscal year until the State has conducted a public hearing, after adequate public notice, on the use and distribution of funds proposed by the State as set forth in that year's report.

SECTION 1743—TRANSITION PROVISION

Section 1743 applies to fiscal year 1982 only and requires a State to certify to the Federal agency administering the block grant that it has met the public report and public hearing requirements of Section 1742. The State must make this certification prior to October 1, 1981, or no less than thirty days before January 1, April 1, or July 1, 1982. A State may certify its compliance for a portion of block grant funds and would then be eligible to receive that portion of block grant funds for which the certification is applicable.

The conferees intend that until a State has submitted its certification, the appropriate Federal agencies shall use that portion of block grant funds not yet claimed by the State to continue those categorical programs operating in the State in FY 1981 for which the State has not yet assumed responsibility. This is to be done in such a manner that, when FY 1981 and FY 1982 funding is compared, each such program not assumed by the State shall receive the same percentage reduction or increase in its funding. The Federal agency shall use the same method of distributing funds as was used in FY 1981 and the program shall be administered in a manner as similar as practicable to the way in which the original categorical programs were administered.

In administering such transitional assistance, it is the intention of the conferees that a Federal agency shall minimize its own administrative expenses. Any transition provision contained in a block grant program authorized by this Act shall supersede this section.

SECTION 1744—ACCESS TO RECORDS BY COMPTROLLER GENERAL

Section 1744 provides that the Comptroller General of the United States shall have access to records for the purpose of evaluating and reviewing the use of block grant funds, consolidated assistance or other grant programs established or provided for in this Act. Under this provision the Comptroller General must be permitted to inspect and review any books, accounts, records, correspondence, or other documents that are related to block grant funds, assistance or programs that are in the possession, custody, or control of any State or political subdivision.

This provision makes clear that needed and desired records may not be withheld from the Comptroller General. The conferees

intend through this access by the Comptroller General to help keep the Congress informed on the manner by which these monies are being spent and whether or not the purposes of the legislation are being met.

SECTION 1745—STATE AUDITING REQUIREMENTS

Section 1745 requires each State to conduct financial and compliance audits of all funds which the State receives under block grant or consolidated assistance programs established or provided for by this Act.

The audits are to be conducted with respect to each entire two-year period after October 1, 1981. To the extent practicable, the audits are to be conducted in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, activities, and functions.

Section 1745(d) provides that the audits required by this section shall be in lieu of any other financial and compliance audits of the same funds which the State is required to conduct under any other provision of this Act, unless that other provision, by explicit reference to Section 1745, otherwise provides.

The conferees adopted Section 1745 to insure that State block grant and consolidated assistance programs established or provided for under this Act would be audited effectively on a regular basis in accordance with well-recognized and clearly-established standards, and that the standards governing the audits would be uniform from State to State and among grant programs. The provision was adopted in response to inquiries by conferees who were concerned that the reconciliation legislation included a number of audit provisions and requirements which differed from grant to grant. The conferees agreed that without this section, the Act could impose unreasonable burdens on the States and would not assure maximum protection against possible waste, fraud and abuse in the expenditure of the funds provided to the States. Accordingly, Section 1745 establishes a single audit provision to govern all block grant and consolidated assistance programs in this Act. It supersedes any other audit provisions in this Act which do not explicitly provide otherwise, except that it is not intended to dilute or otherwise change the compliance requirements of any grant programs.

This section addresses only the audit requirements imposed upon the States by this Act. This in no way limits the authority of the Comptroller General, the Inspectors General of the Federal agencies, or other Federal authorities from conducting audits and investigations authorized by this Act or by other Federal statutes.

XVIII—STATEMENT OF MANAGERS

Noise control

Section 6651 of the House bill amends the Noise Control Act of 1972 in several respects and Section 6652 reauthorizes the Noise Control Act for fiscal years 1982 and 1983.

The Senate bill includes no reference to the Noise Control Act.

The House conferees recede to the Senate position, to include no reference to the Noise Control Act. Both Houses have made sub-

stantial progress in their respective bills to reauthorize and amend the Noise Control Act, apart from reconciliation.

With this in mind, the House language has been deleted without prejudice to either bill.

Toxic Substances Control Act

Section 6655 of the House bill reauthorizs the Toxic Substances Control Act for fiscal years 1982 and 1983.

The Senate bill contains no reference to the Toxic Substances Control Act.

The House conferees recede to the Senate position, to include no reference to the Toxic Substances Control Act, without prejudice to pending bills in both Houses to reauthorize the Toxic Substances Control Act.

OMNIBUS BUDGET RECONCILIATION ACT OF 1981

SUBCONFERENCE NO. 30: NUCLEAR REGULATORY COMMISSION

Statement of managers language

Section 8009 of the House bill established "caps" on the total amounts that could be appropriated for programs of the Nuclear Regulatory Commission for each of the fiscal years 1982, 1983 and 1984. The Senate bill included no references to the Nuclear Regulatory Commission.

The House conferees recede to the Senate position which is to include no reference to the NRC. Both Houses have made substantial progress in the development of legislation to authorize appropriations for the NRC for both fiscal year 1982 and fiscal year 1983. The conferees believe there is great likelihood that a 2-year authorization will become public law this fall. With this in mind, the House caps have been deleted without prejudice.

TITLE I—AGRICULTURE, FORESTRY, AND RELTED PROGRAMS

SUBTITLE A—FOOD STAMP PROGRAM REDUCTIONS AND OTHER REDUCTIONS IN AUTHORIZATIONS FOR APPROPRIATIONS

PART 1—FOOD STAMP PROGRAM REDUCTIONS

(1) Family unit requirement

The House bill requires that, in order to be considered a food stamp household, groups of individuals must constitute an "economic unit" (sharing living expenses) as well as purchase and prepare food in common.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(2) Drug addition and alcoholic treatment programs

The Senate amendment eliminates food stamp eligibility for residents of drug addiction and alcoholic treatment and rehabilitation programs and removes from the Food Stamp Act provisions recognizing these programs as eligible to accept food stamp coupons for

meals served to these residents. The Senate amendment also deletes the work registration exemption for resident and non-resident participants of those programs.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(h) For expenses for carrying out the Agricultural Conservation Program under the provision of the Soil Conservation and Domestic Allotment Act and the Agricultural Act of 1970—

	1982	1983	1984
Authorization	$191,325,000	$199,647,000	$208,216,000
Outlays	196,329,000	195,471,000	203,252,000

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment increasing the authorization limit by $10 million for each of the 3 years and deleting the outlay ceilings.

(i) For expenses for carrying out the experimental Rural Clean Water Program—

	1982	1983	1984
Authorization	$19,811,000	$21,106,000	$22,104,000
Outlays	11,325,000	16,087,000	19,468,000

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

Subtitle C—Water Projects

PART 1—WATER POLLUTION CONTROL

The House bill amends Section 207 of the Federal Water Pollution Control Act by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

It further authorizes to be appropriated to the Administrator of the Environmental Protection Agency for the fiscal year ending September 30, 1982, not to exceed $100,000,000 to carry out section 205(g) of the Federal Water Pollution Control Act. The Administrator shall make such authorization available to the States in accordance with such section 205(g) in the same manner and to the same extent as would be the case if $5,000,000,000 had been authorized under section 207 of such Act, using the same allotment table as was applicable to the fiscal year ending September 30, 1981.

The Senate amendment amends Section 301 of the Public Works Employment Act of 1976 (Public Law 94-369) by striking "$700,000,000" and inserting in lieu thereof "$416,000,000".

It also amends Section 207 of the Clean Water Act by Striking "September 30, 1981, and September 30, 1982, not to exceed $5,000,000,000 per fiscal year" and inserting in lieu thereof "not to exceed $5,000,000,000; for the fiscal year ending September 30, 1980, not to exceed $2,520,000,000; for the fiscal year ending September 30, 1981, not to exceed $2,548,837,000; and for the fiscal

year ending September 30, 1982, not to exceed $0, unless there is enacted legislation reducing the eligibility of projects for grants for treatment works, establishing an allotment formula for fiscal year 1982 funds, and otherwise reforming the municipal sewage treatment construction grant program under this title in which case the authorization for the appropriation of budget authority for the fiscal year ending September 30, 1982, shall not exceed $2,400,000,000".

It also provides that the share of any State in the funds appropriated under the authorizations amended by this section shall not be reduced due to this section by an amount greater than the unobligated balance of that appropriation for such State as of the date of enactment of this Act, as determined by the Administrator of the Environmental Protection Agency. The reduction in each appropriation under section 207 of the Clean Water Act for fiscal years 1980 and 1981 shall be distributed among the States in accordance with the allotment formula specified in section 205(c) of the Clean Water Act. Whenever the share of a reduction exceeds the unobligated balance of that appropriation for such State, the shortfall shall be distributed according to such allotment formula among all the States which still have unobligated balances of such appropriation in excess of their share of the reduction.

The conference substitute provides that section 207 of the Federal Water Pollution Control Act is amended by striking out "September 30, 1981, and September 30, 1982, not to exceed $5,000,000,000 per fiscal year." and inserting in lieu thereof "not to exceed $5,000,000,000; for the fiscal year ending September 30, 1981, not to exceed $2,548,837,000; and for the fiscal year ending September 30, 1982, $0, unless there is enacted legislation establishing an allotment formula for fiscal year 1982 construction grant funds and otherwise reforming the municipal sewage treatment construction grant program under this title, in which case the authorization for fiscal year 1982 shall be an amount not to exceed $2,400,000,000.

It also provides that there is authorized to be appropriated to the Administrator of the Environmental Protection Agency for the fiscal year ending September 30, 1982, not to exceed $40,000,000 to carry out section 205(g) of the Federal Water Pollution Control Act. The Administrator shall make such authorization available to the States in accordance with such section 205(g) in the same manner and to the same extent as would be the case if $2,000,000,000 had been authorized under section 207 of such Act, using the same allotment table as was applicable to the fiscal year ending September 30, 1981.

The Conferees, in agreeing to the conditional authorization for appropriations for fiscal year 1982, commit themselves to exert every effort to secure the passage in 1981 of a bill making necessary changes in the construction grants program, and to secure passage in 1982 of a comprehensive bill addressing the entire Federal Water Pollution Control Act.

Appropriations for construction

The House bill provides that notwithstanding any other provision of law, the total amount authorized to be appropriated for the fiscal year ending September 30, 1982, to the Secretary of the Army, acting through the Chief of Engineers, for construction of river and harbor, flood control, shore protection, and related authorized projects (other than the project for the Mississippi River and tributaries) and detailed studies, and plans and specifications, of projects authorized or made eligible for selection by law, shall not exceed $1,588,000,000.

The Senate amendment provides that notwithstanding any other provision of law, no funds are authorized to be appropriated to the Corps of Engineers for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications of projects authorized or made eligible for selection by law, in excess of $1,505,510,000 for the fiscal year ending September 30, 1982, in excess of $1,688,948,000 for the fiscal year ending September 30, 1983, and in excess of $1,575,750,000 for the fiscal year ending September 30, 1984.

The conference substitute provides that notwithstanding any other provision of law, the total amount authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers, for construction of river and harbor, flood control, shore protection, and related authorized projects (other than the project for the Mississippi River and tributaries) and detailed studies, and plans and specifications, of projects authorized or made eligible for selection by law, shall not exceed $1,546,755,000 for the fiscal year ending September 30, 1982, $1,688,948,000 for the fiscal year ending September 30, 1983, and $1,575,750,000 for the fiscal year ending September 30, 1984.

Special user fees

The House bill provides that notwithstanding any other provision of law, there shall not be appropriated to the Secretary of Defense for special recreation user fees programs of the Corps of Engineers in excess of $5,200,000 for the fiscal year ending September 30, 1982, in excess of $6,000,000 for the fiscal year ending on September 30, 1983, or in excess of $6,000,000 for the fiscal year ending September 30, 1984.

The Senate amendment provides that notwithstanding any other provision of law, there is not authorized to be appropriated to the Secretary of Defense during the fiscal year ending on September 30, 1981, in excess of $5,000,000, for special recreation user fees programs of the Corps of Engineers.

It further provides that notwithstanding any other provision of law, there is not authorized to be appropriated to the Secretary of Defense for special recreation user fees programs of the Corps of Engineers in excess of $5,200,000 for the fiscal year ending on September 30, 1982, in excess of $6,000,000 for the fiscal year ending on September 30, 1983, and in excess of $6,000,000 for the fiscal year ending on September 30, 1984.

The conference substitute provides that notwithstanding any other provision of law, there shall not be appropriated to the Secretary of Defense for special recreation user fees programs of the Corps of Engineers in excess of $5,000,000 for the fiscal year ending on September 30, 1981, in excess of $5,200,000 for the fiscal year ending on September 30, 1982, in excess of $6,000,000 for the fiscal year ending on September 30, 1983, or in excess of $6,000,000 for the fiscal year ending September 30, 1984.

Water resources policy

The House bill provides that notwithstanding any other provision of law, there shall not be appropriated for programs of the National Board of Water Resources Policy in excess of $12,500,000 for the fiscal year ending on September 30, 1982, in excess of $12,500,000 for the fiscal year ending on September 30, 1983, or in excess of $12,500,000 for the fiscal year ending on September 30, 1984.

The Senate amendment provides that there is hereby authorized to be appropriated to the President for the purposes of water resources planning grants to the States, and river basin commissions, Federal coordination of water resources policy, and water resources research the sum of $36,150,000 for each of the fiscal years ending September 30, 1982, and September 30, 1983, and the sum of $34,150,000 for the fiscal year ending September 30, 1984.

The conference substitute provides that subject to enactment of legislation establishing a National Board on Water Resources Policy, there is hereby authorized to be appropriated to such board for the purposes of coordination of water resources policy and water resources planning grants to the states the sum of $12,500,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984. Upon establishment of a National Board on Water Resources Policy, all unobligated funds of the Water Resources Council are transferred to such National Board.

It also provides that no funds are authorized to be appropriated to the Secretrary of the Interior for the purposes of water resources research and development including the State water resources institutes, saline water research, development and demonstration, and associated activities in excess of $23,650,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984.

OCEAN DUMPING FEES

The House bill contains a provision, from the Committee on Public Works and Transportation, that no fees may be charged by the Secretary of the Army, acting through the Chief of Engineers, the Administrator of the Environmental Protection Agency, or by any other officer of the Federal Government for the transportation for the purpose of dumping, or the dumping, of any material into the oceans.

The House bill also contains a provision, from the Committee on Merchant Marine and Fisheries, that section 102 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1412) is amended by redesignating sections 102(b), (c), (d) and (e) as sections

102(c), (d), (e) and (f), respectively, and inserting the following new subsection 102(b):

"(b)(1) To become effective on October 1, 1982, the Administrator shall establish a system for the imposition of ocean dumping fees to be paid by the permittee or, in the case of a water resources navigation project of the Army Corps of Engineers, by the nonfederal interest, for materials which are ocean dumped including, but not limited to, sewage sludge, industrial wastes, and dredged materials.

"(2) The ocean dumping fee shall be established at an amount not greater than five dollars per wet ton of materials dumped. The Administrator may, however, established a fee less than this amount for materials dumped based on the following factors:

"(A) The extend to which the dumping of such materials results in a risk of degrading the marine environment; and

"(B) The area of the ocean in which such materials are dumped, and the assimilative capacity of such ocean areas.

"(3) The Administrator may waive ocean dumping fees in the event that it can be demonstrated by the permittee, or in the case of a water resources navigation project of the Army Corps of Engineers, by the nonfederal interest, that it will incur an undue economic burden as a result of such fees.

"(4) Fees collected pursuant to this subsection shall be deposited in the Treasury as offsetting receipts.

"(5) This legislation shall in no way be used to sanction or demonstrate the intent of Congress that ocean dumping activities as addressed by the Marine Protection, Research and Sanctuaries Act of 1972, as amended, be permitted to continue beyond those dates and deadlines as established by said Act for the cessation of the ocean disposal of sewage sludge and harmful industrial wastes."

The Senate amendment contains no similar provisions.

The conference substitute deletes both provisions of the House bill.

The Merchant Marine and Fisheries Committee proposed that ocean dumping fees of $5.00 per wet ton be imposed in fiscal years 1983 and 1984. This action satisfied the assumption of the First Concurrent Budget Resolution that the Committee on Merchant Marine and Fisheries would effect savings of $200 million in FY 1983 and $300 million in FY 1984, an instruction which originated with the Senate Budget Committee's desire to impose Coast Guard user fees. In fact, the CBO estimates that the savings resulting from ocean dumping fees would be $400 million per year.

In view of the conflict in H.R. 3982 between section 9401 and section 11141, added by the House Public Works and Transportation Committee, and the absence of language on ocean dumping fees in S. 1377, the conference managers recommend that the House recede to the Senate position. In doing so, the managers recognize that the Merchant Marine and Fisheries Committee has fully complied with its reconciliation responsibilities in this area. The conference managers observe that dropping of the ocean dumping fee proposal will not lead to a future reconciliation instruction to the Merchant Marine and Fisheries Committee to achieve savings in FY 1983 and FY 1984 by imposing ocean dumping fees or assessing fees on users of Coast Guard services.

There is strong bipartisan opposition to Coast Guard user fees in that such a proposal represents a dramatic reversal of traditional policy.

PART 3—TVA PROJECT

The House bill provides that no amount shall be authorized to be appropriated for the fiscal years ending September 30, 1982, to the Tennessee Valley Authority to carry out the North Alabama Coal Gasification Project at Murphy Hill, Alabama.

The Senate amendment provides that notwithstanding any other law, no appropriations to the Tennessee Valley Authority were authorized for a coal gasification plant at Murphy Hill, Alabama, in the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, and September 30, 1984.

The conference substitute provides that no amount shall be authorized to be appropriated for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, to the Tennessee Valley Authority to carry out the North Alabama Coal Gasification Project at Murphy Hill, Alabama. The Tennessee Valley Authority shall provide for the repayment out of its proceeds from the project with interest at the rate established in accordance with section 15d(e) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831n-4(e)) of all Federal funds invested in the North Alabama Coal Gasification Project at Murphy Hill, Alabama.

EPA REGULATORY AND RESEARCH ACTIVITIES

House bill.—This section limits to $540 million the total amount authorized to be appropriated for fiscal year 1982, to the Administrator of the EPA for non-energy research and development activities and for the abatement control and compliance activities.

Senate amendment.—This provision provides that no funds are authorized to be appropriated to the Administrator of the EPA for non-energy research and development activities and for abatement control and compliance activities in excess of $540 million in each of fiscal years 1982, 1983, and 1984.

Conference substitute.—The Conference Substitute deletes both the House and Senate provisions.

Both the House Public Works and Transportation Committee and the Senate Committee on Environment and Public Works proposed that the Environmental Protection Agency research and regulatory activities be capped at $540 million. This action satisfied the assumption of the First Concurrent Budget Resolution that these committees would effect savings in budget authority of $209 million in FY 1982, $264 million in FY 1983, and $317 million in FY 1984, an instruction which originated with the Budget Committee's desire to impose a cap on EPA research and regulatory activities.

In view of the fact that the House Committee on Energy and Commerce, which has jurisdiction over a number of EPA programs that would be affected by this limitation, did not include a similar provision in its title, the Conference Managers recommend that both the House and Senate provisions be deleted. In doing so, the Managers recognize that the House Public Works and Transporta-

tion Committee and the Senate Environment and Public Works Committee have fully complied with their reconciliation responsibilities in their areas.

The conferees further agree that as each bill authorizing appropriations for EPA operating programs is considered in the regular legislative process, every reasonable effort will be made to achieve savings of the magnitude contemplated in the reconciliation instruction.

TITLE XIX

1. Disaster loans—credit elsewhere test

Existing law applies a credit elsewhere test solely to business disaster loan applicants and solely to determine the interest rate.

The House bill does not change existing law.

The Senate amendment applies a credit elsewhere test to determine eligibility of all applicants. All credit worthy borrowers would be excluded from disaster loan assistance.

The conference substitute extends the credit elsewhere test to homeowners solely to determine the interest rate.

2. Disaster loans—interest rate for homeowners

Existing law sets the interest rate on SBA disaster loans to homeowners for repair or replacement of a primary residence at 3 percent on the first $55,000.

The House bill increases this rate to 5 percent.

The Senate amendment increases this rate by using a formula based on cost of money to the Federal government for comparable length Federal borrowings plus up to 1 percent at the Small Business Administration's discretion, less 5 percent. Based on the current cost of these Federal borrowings, this rate could be up to 15.3 percent.

The conference substitute sets the interest rate for homeowners unable to obtain credit elsewhere at one-half the cost of money to the Federal government for comparable length Federal borrowings plus up to 1 percent at SBA's discretion, but not to exceed 8 percent. The rate for homeowners able to obtain credit elsewhere is set at full cost of money plus up to 1 percent.

3. Disaster loans—rates for businesses without credit elsewhere

Existing law sets the interest rate on SBA disaster loans to businesses unable to obtain credit elsewhere at 5 percent.

The House bill increases this interest rate to 7 percent.

The Senate amendment increases this rate by using a formula based on cost of money to the Federal government for comparable length Federal borrowings plus up to 1 percent at the Small Business Administration's discretion. Based on the current cost of these Federal borrowings, this rate could be up to 15.3 percent.

The conference substitute sets this interest rate at not to exceed 8 percent.

4. Disaster loans—rates for businesses with credit elsewhere

Existing law sets this rate based on a formula involving the cost of money to the Federal government for comparable length Federal

borrowings, plus up to 1 percent at SBA's discretion, on up to $500,000 but existing law further limits these loans to an initial term of three years.

The House bill reduces the initial term to two years.

The Senate amendment does not contain a comparable change as these borrowers would have been made ineligible for such loans by the Senate amendment (see item 1).

The conference substitute authorizes the Administrator of SBA, after discussion with the Secretary of Agriculture, to set the rate but not to exceed the rate prevailing in the private market and not to exceed the maximum rate for guaranteed loans as determined by SBA pursuant to section 7(a) of the Small Business Act. In addition, the Conference Substitute sets the maximum term of the loan at three years.

5. Disaster loans—SBA regulation of March 19th

On March 19, 1981, SBA limited business disaster loan applicants to 60 percent of the amount of net actual loss and denied disaster loans to credit worthy businesses. SBA also limited economic injury loans under section 7(b)(2) of the Small Business Act to $100,000 per borrower. The change was made effective immediately and applied to *pending* and future applicants.

The House bill did not change existing law or SBA's regulation.

The Senate amendment overruled the regulation as to applications pending on March 18, 1981. SBA would be permitted to apply the changes to applications received after that date even though the disaster had occurred previously, but they would be required to reverse action previously taken.

The conference substitute requires SBA to revise its action as to pending applications and to provide the following assistance:

(a) credit worthy business applicants (who previously were denied any assistance) would receive loans for 85 percent of net actual loss. These loans would be made for a maximum term of three years and would bear interest at a rate determined by the Administration as not exceeding that prevailing in the private markets and also not exceeding the maximum rate as prescribed by SBA for regular business loans; but, if the Administrator determines that imposition of these provisions would impose a substantial hardship on the applicant, he would be authorized, in his discretion on a case-by-case basis, to waive these provisions and provide assistance as was provided to credit worthy applicants under rules and regulations in effect at the time the disaster commenced.

(b) Non-credit worthy business applicants (who previously were limited by SBA to loans for 60 percent of net actual loss) would receive loans for 100 percent of net actual loss. The interest rate would remain the rate in effect at the time the disaster commenced.

(c) The maximum ceiling for economic injury loans would be restored to $500,000 per borrower.

The Conferees expect the Administrator to promptly notify and inform those applicants who were denied disaster assistance or received assistance at 60 percent of loss pursuant to the March 19, 1981 regulations, who would receive additional benefits under this provision, of its enactment.

6. Disaster Loans—limit on loans to percent of actual loss

Existing law requires loans of 100 percent of the amount of actual loss (OMB interpretation to the contrary).

The House bill limits businesses to 85 percent of the amount of the actual net loss.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision.

7. Disaster Loans—program level

Existing law authorizes the appropriations of whatever is necessary to carry out the disaster loan program, i.e., an open-ended authorization, and does not specify a maximum annual program level.

The House bill imposes an annual maximum program level and specifies the amount authorized to be appropriated annually.

The Senate amendment does not contain a comparable provision.

The conference substitute does not change existing law.

8. Disaster Loans—economic injury

Existing law authorizes loans to small businesses who have suffered substantial economic injury (i.e., loss of business) due to their being located in an area struck by a physical disaster. The physical disaster must have been of such magnitude as to warrant a declaration by the President, SBA, or the Secretary of Agriculture; however, the governor of the state can request SBA assistance even if there has been no declaration. SBA imposes a credit elsewhere test by regulation to determine eligibility.

The House bill does not change existing law.

The Senate amendment eliminates eligibility if the declaration was only by the Secretary of Agriculture or on the request of the state governor. Also, it imposes a statutory credit elsewhere test to determine eligibility.

The conference substitute continues existing law regarding FmHA declarations and governors' requests, but imposes a statutory credit elsewhere test.

9. Nonphysical disaster loans

Existing law establishes seven categories of nonphysical disaster loans (for example, regulatory compliance, product disaster, economic dislocation, etc.) and water pollution control loans.

The House bill rewrites these eight programs into a new Federal action loan program.

The Senate amendment repeals these eight programs and provides no new substitute.

The conference substitute adopts the House change but expressly provides that there will be no funds in fiscal years 1982-1984 for this program.

10. Farmer eligibility at SBA

Existing law permits agricultural producers to apply for and receive SBA assistance if they meet eligibility criteria applied to nonagricultural producers. This includes all types of SBA assistance except that if the assistance sought is a disaster loan, the farmer must be declined for or would be declined for emergency loan assistance at substantially similar inerest rates from the Farmers Home Administration.

The House bill makes no change in existing law.

The Senate amendment repeals those provisions which now preclude SBA from denying assistance to agricultural producers who are otherwise qualified.

The conference substitute does not change existing law.

The Conferees expect the Administrator of SBA and the Secretary of Agriculture to consult and establish substantially similar interest rates for credit worthy and non-credit worthy borrowers. Statutory language, approved by the Conferees conforms with that adopted by the Agriculture Committees Conferees with respect to interest rates for disaster assistance from Farmers Home Administration. This was done to insure that farmers must seek disaster assistance first from FmHA pursuant to Public Law 96-302.

11. 1981 program levels and authorizations

Existing law provides 1981 authorizations and specifies program levels and salary and expense levels.

The House bill makes no change in existing law.

The Senate amendment modifies existing law, primarily with reductions.

The conference sustitute does not change existing law except on one program; it increases the maximum amount of pollution control contract guarantees up to $180 million in lieu of existing law of $110 million and the increase in the Senate bill of $250 million.

12. 1982 program levels

The amounts of 1982 program levels authorized by the House bill, the Senate amendment, and the Conference substitute are as follows:

[in Millions of dollars]

Item	House	Senate	Conference substitute
Regular business direct	(155)	(83)	(125)
Regular business guaranteed	2,785	3,500	2,808
Handicapped direct	(15)	(7)	(15)
Handicapped guaranteed	5	5	5
Economic opportunity direct	(45)	(21)	(45)
Economic opportunity guaranteed	50	65	60
Solar and energy conservation direct	(10)	(11)	(10)
Solar and energy guaranteed	15	20	17
Development company direct	(0)	(23)	(0)
Development company guaranteed	150	250	250
Small business investment company direct	(35)	(35)	(35)
Small business investment company guaranteed	145	160	160
Total direct	(260)	(180)	(230)
Total guaranteed	3,150	4,000	3,300
Nonphysical disaster loans	40	0	0
Surety bond guarantees	1,200	1,600	1,400
Pollution control contract guarantees	250	250	250

The Conferees note that these amounts are reductions, in some instances very substantial reductions, from existing law and even from 1981 appropriations. Compliance with "savings instructions" in the Budget Resolution compelled these reductions.

13. 1983 program levels

The amounts of 1983 program levels authorized by the House bill, the Senate amendment, and the Conference substitute are as follows:

[In millions of dollars]

Item	House	Senate	Conference substitute
Regular business direct	(155)	(75)	(125)
Regular business guaranteed	2,785	3,395	2,708
Handicapped direct	(15)	(7)	(15)
Handicapped guaranteed	5	5	5
Economic opportunity direct	(45)	(22)	(45)
Economic opportunity guaranteed	50	65	60
Solar and energy conservation direct	(10)	(12)	(10)
Solar and energy conservation guaranteed	15	25	17
Development company direct	(0)	(23)	(0)
Development company guaranteed	150	350	350
Small business investment company direct	(35)	(35)	(35)
Small business investment company guaranteed	145	160	160
Total direct	260	174	230
Total guaranteed	3,150	4,000	3,300
Nonphysical disaster loans	40	0	0
Surety bond guarantees	1,200	1,600	1,400
Pollution control contract guarantees	250	250	250

The Conferees note that these amounts are reductions, in some instances very substantial reductions, from existing law and even from 1981 appropriations. Compliance with "savings instructions" in the Budget Resolution compelled these reductions.

14. 1984 program levels

The amounts of 1984 program levels authorized by the House bill, the Senate amendment, and the Conference substitute are as follows:

[In millions of dollars]

Item	House	Senate	Conference substitute
Regular business direct	155	116	125
Regular business guaranteed	2,785	3,345	2,708
Handicapped direct	15	13	15
Surety bond guarantees	1,200	1,600	1,400
Pollution control contract guarantees	250	250	250

The Conferees note that these amounts are reductions, in some instances very substantial reductions, from existing law and even from 1981 appropriations. Compliance with "savings instructions" in the Budget Resolution compelled these reductions.

14. 1984 program levels

The amounts of 1984 program levels authorized by the House bill, the Senate amendment, and the Conference substitute are as follows:

[In millions of dollars]

Item	House	Senate	Conference substitute
Regular business direct	(155)	(116)	(125)
Regular business guaranteed	2,785	3,345	2,708
Handicapped direct	(15)	(13)	(15)
Handicapped guaranteed	5	5	5
Economic opportunity direct	(45)	(38)	(45)
Economic opportunity guaranteed	50	65	60
Solar and energy conservation direct	(10)	(20)	(10)
Solar and energy conservation guaranteed	15	25	17
Development company direct	(0)	(23)	(0)
Development company guaranteed	150	400	350
Small business investment company direct	(35)	(35)	(35)
Small business investment company guaranteed	145	160	160
Total direct	(260)	(245)	(230)
Total guaranteed	3,150	4,000	3,300
Nonphysical disaster loans	40	0	0
Surety bond guarantees	1,200	1,600	1,400
Pollution control contract guarantees	250	250	250

The Conferees note that these amounts are reductions, in some instances very substantial reductions, from existing law and even from 1981 appropriations. Compliance with "savings instructions" in the Budget Resolution compelled these reductions.

15. 1982 salaries and expenses

For 1982, the House bill authorizes $227.618 million for salaries and expenses; the Senate amendment authorizes $227 million; and the Congerence substitute authorizes $227 million.

The House bill earmarks the following amounts:

(1) $12.526 million for procurement and technical assistance; of which amount not less than $2.318 million shall be available for technical assistance, and of this amount not less than $903 thousand shall be used to pay for the continued development of a procurement automated source system, and not less than $175 thousand shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain, and interpret the appropriate technology for such small business;

(2) $27.876 million for management assistance, of which amount not less than $1.46 million shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist;

(3) $5.668 million for economic research and analysis and advocacy, of which amount not less than $2.818 million shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than $1 million shall be used to develop an external small business data bank and small business index; not less than $850 thousand shall be used for research; and not less than $1 million shall be used to pay for development and maintenance of an indicative small business data base comprised of names and addresses and related information.

(4) $22.566 million for the Office of Minority Small Business and Capital Ownership Development, $10 million of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act; and

(5) $11.546 million for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices.

The Senate amendment earmarks the following amounts:

(1) $14.52 million for procurement and technical assistance; of which amount not less than $2.1 million shall be available for technical assistance, and of this amount not less than $692 thousand shall be used to pay for the continued development of a procurement automated source system, and not less than $907.5 thousand shall be used to develop and maintain echnology assistance centers which shall have direct or indirect assess to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain, and interpret the appropriate technology for such small business;

(2) $25.4 million for management assistance, of which amount not less than $968 thousand shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist;

(3) $9.68 million for economic research and analysis and advocacy, of which amount not less than $2.42 million shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than $1.815 million shall be used to develop an external small business data bank and small business index; not less than $1.815 million shall be used for research;

(4) $30.25 million for the Office of Minority Small Business and Capital Ownership Development, $13.655 million of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act; and

(5) $10.9 million for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices and to the development of

an indicative small business data base comprised of names and addresses and related information which amount not less than $1.21 million shall be used to pay for development of such indicative small business data base; and

(6) $12 million for matching grants to small business development centers, and an additional $550 thousand for the administration of the small business development center program.

The conference substitute earmarks the following amounts:

(1) $12.526 million for procurement and technical assistance; of which amount not less than $2.318 million shall be available for technical assistance, and of this amount not less than $903 thousand shall be used to pay for the continued development of a procurement automated source system, and not less than $175 thousand shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain, and interpret the appropriate technology for such small business;

(2) $26.638 million for management assistance, of which amount not less than $1.214 million shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist; and the Small Business Development Center program shall not be funded solely hereunder;

(3) $8 million for economic research and analysis and advocacy, of which amount not less than $2.42 million shall be used to employ at least sixty-nine staff people for the Office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than $1.4 million shall be used to develop an external small business data bank and small business index; not less than $1.35 million shall be used for research; and not less than $1 million shall be used to pay for development and maintenance of an indicative small business data base comprised of names and addresses and related information.

(4) $30.25 million for the Office of Minority Small Business and Capital Ownership Development, $13.655 million of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act; and

(5) $10.546 million for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, to the installation of terminals in Administration field offices.

The conference substitute also authorizes to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of the small business development center program.

16. 1983 salaries and expenses

For 1983, the House bill authorizes $233.213 million for salaries and expenses; the Senate amendment authorizes $233 million; and the conference substitute authorizes $233 million.

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The House bill earmarks the same amounts and for the same purposes as it did for 1982 except that it increases the earmark for management assistance to $33.876 million.

The Senate amendment earmarks the same amounts and for the same purposes as it did for 1982.

The conference substitute earmarks the same amounts and for the same purposes as it did for 1982 except that it increases the earmark for management assistance to $32.638 million (see item 15).

17. 1984 salaries and expenses

For 1984, the House bill authorizes $238.646 million for salaries and expenses; the Senate amendment authorizes $239 million and the conference substitute authorizes $239 million.

The House bill earmarks the same amounts and for the same purposes as it did for 1982 except that it increases the earmark for management assistance to $38.876 million.

The Senate amendment earmarks the same amounts and for the same purposes as it did for 1982.

The conference substitute earmarks the same amounts and for the same purposes as it did for 1982 except that it increases the earmark for management assistance to $32.138 million (see item 15).

18. 1982 authorizations

For 1982, the House bill authorizes the appropriation of $623.228 million, of which: $272 million is for business loan programs; $32.61 million is for surety bond guarantees; $87 million is for disaster loans; $4 million is for real estate lease guarantees; and amounts as specified in item 15 for salaries and expenses.

The Senate amendment authorizes the appropriation of $623 million, of which $362 million is for business loan programs; $30 million is for surety bond guarantees; $4 million is for real estate lease guarantees; amounts as specified in item 15 for salaries and expenses; and such sums as may be necessary for disaster loans.

The conference substitute authorizes appropriations as provided in the Senate amendment.

19. 1983 Authorizations

For 1983, the House bill authorizes the appropriation of $689.193 million, of which: $364 million is for business loan programs; $34.98 million is for surety bond guarantees; $53 million is for disaster loans; $4 million is for real estate lease guarantees; and amounts as specified in item 15 for salaries and expenses.

The Senate amendment authorizes the appropriation of $675 million, of which $408 million is for business loan programs; $30 million is for surety bond guarantees; $4 million is for real estate lease guarantees; amounts as specified in item 15 for salaries and expenses; and such sums as may be necessary for disaster loans.

The conference substitute authorizes the appropriations as provided in the Senate amendment.

20. 1984 Authorizations

For 1984, the House bill authorizes the appropriation of $837.816 million, of which: $484 million is for business loan programs; $37.17

million is for surety bond guarantees; $74 million is for disaster loans; $4 million is for real estate lease guarantees; and amounts as specified in item 15 for salaries and expenses.

The Senate amendment authorizes the appropriation of $804 million, of which $531 million is for business loan programs; $30 million is for surety bond guarantees; $4 million is for real estate lease guarantees; amounts specified in item 15 for salaries and expenses; and such sums as may be necessary for disaster loans.

The conference substitute authorizes appropriations as provided in the Senate amendment.

21. Loan consolidation

SBA requested that specific programs for trade adjustment loans under section 7(e), handicapped assistance loans under section 7(h), economic opportunity loans under section 7(i), and solar and energy conservation loans under section 7(l) be repealed and consolidated so that all direct loans, except disaster (and specifically including development company loans), would be made solely pursuant to the provisions of section 7(a). Section 7(a) would be rewritten into general purpose language but specific provisions would be retained regarding the use of 7(a) loans to provide export assistance and to provide financing to employee stock ownership plans (ESOP's).

The House bill consolidates these programs into section 7(a) and repeals all other loan programs, except disaster; however, in addition to the export assistance and ESOP loan provisions as retained in the SBA request, the revised section 7(a) also contains a specific enumeration of all now permissable uses and those contemplated under the consolidated program. That is, in addition to the general language, section 7(a) contains provisions specifying that this program can provide assistance to homebuilders, to handicapped, for economic opportunity, for energy conservation, to development companies, for export financing, and for ESOP's.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision.

22. Maximum guaranteed loan

SBA requested that a uniform maximum amount of a guaranteed loan be established and that it be increased from the current amount to $750,000.

The House bill establishes a uniform limit but does not increase this limit beyond $500,000 per borrower due to the impact of budgetary constraints.

The conference substitute includes the House provision.

23. Maximum maturity

SBA requested that it be given the discretion to set the term of loans to coincide with practices in the private markets, but not to exceed thirty years.

The House bill increases the maximum maturity to twenty-five years plus construction time.

The conference substitute includes the House provision.

24. Direct loan interest rates

SBA requested that the interest rate on all direct loans be increased to a rate equivalent to that prevailing in private markets

(today about 22 percent), but not less than the Treasury rate plus 1 percent.

The House bill effective October 1, 1981, authorizes SBA to prescribe the direct loan interest rate but not to exceed that determined under a formula involving the average market yield on comparable length marketable obligations of the Government, plus an additional amount as determined by the SBA Administrator, but not exceeding 1 percent per year (this would yield 15.3 percent presently), except that loans to handicapped individuals or to organizations for the handicapped would be continued at a 3-percent interest rate.

The conference substitute includes the House provision but makes it effective upon enactment.

25. Sale of notes

The House bill requires the SBA to sell such amounts of direct loans now held in its portfolio as would be necessary to supplement appropriations in order that the agency could carry out its programs at the levels specified.

The Senate amendment does not contain a comparable provision.

The Conference substitute does not include the House provision; however, for direct business loans made in 1981, the Conference Substitute provides that interest received by SBA shall be paid to Treasury. For direct financings made in fiscal year 1981 from the business loan and investment fund, SBA would not be required to also pay Treasury the difference between interest received and cost of money to the Government. For loans made after 1981 SBA is required to pay Treasury based on cost of money interest rates as described in section 4(c)(5)(A) of the Small Business Act.

26. Use of SBA loans for refinancing

The House bill specifies conditions under which SBA loans may be used to refinance prior indebtedness and limits loans for such purpose to an 80-percent guarantee rather than 90 percent. SBA would report on the effectiveness of this provision and it is sunset October 1, 1985.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision.

27. Guarantee fee

The House bill specifically prohibits financial institutions from directly passing on to the borrower the 1-percent guarantee fee which SBA imposes on the bank.

The Senate amendment contains no comparable provision.

The conference substitute does not contain the House provision. However, the conferees instruct SBA to take such action as may be necessary to assure that those financial institutions which require borrowers to pay this fee to notify prospective borrowers that they will be required to do so. The notification should be well in advance of the contemplated loan closing.

28. Percent of loan guaranteed

The House bill provides that guaranteed loans of $100,000 and less must carry at least a 90-percent guarantee; that guaranteed loans over $100,000 up to about $715,000 receive a guarantee of be-

tween 70 percent and 90 percent; that SBA only reduce such guarantees below 90 percent on a case-by-case basis; and that SBA not use the guarantee percentage as a test of giving priority consideration. Guaranteed loans over approximately $715,000 must have a guarantee of less than 70 percent.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision.

29. Optional loan repayment plan

The House bill provides that at the election of all parties to a 7(a) loan (either direct or guaranteed), the loan may have a repayment provision which provides for interest only payments during the first two years of the loan, if such loan has a maturity of at least eight years; during the first three years of the loan if the loan has a maturity of at least ten years; and during the first four years of the loan if the loan has a maturity of at least fifteen years. If a bank or other participating lender agrees to structure the repayment schedule as described above, it could obtain a one-time fee of 1 percent of the loan principal which may be paid directly out of the proceeds of the loan.

The Senate amendment contains no comparable provision.

The conference substitute does not change existing law.

30. Extending term of existing loans

The House bill authorizes SBA to agree to an extension of the term, or refinancing (if it results in an extension of term) of an outstanding SBA 7(a) guaranteed loan if: (1) all parties to the loan so agree: (2) the extended term does not exceed the maximum term of a SBA 7(a) loan permitted by law; and (3) the extended loan or refinancing is to be repaid in equal installments of principal and interest, except as may be provided for under the optional loan repayment plan.

If the extended loan or refinancing results in a new term of longer than ten years, the lender is authorized to charge the borrower a one-time fee of 1 percent of the outstanding principal of the loan.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision.

31. "Sunset" provisions and reporting requirements

The House bill sunsets the new refinancing and optional loan repayment programs on October 1, 1985.

SBA is required to submit two separate reports to the Congress on the operation of its 7(a) loan program, as modified by the bill. The first report would be due by February 28, 1984; the second one year later.

Such reports would contain statistical data on the number, dollar amount and default rates of loans made subject to the new provisions of this bill and similar data for loans that are not affected by such new provisions.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision except on the optional loan repayment program which was dropped (see item 29).

32. Elimination of reports on energy conservation loans and loans to assist low income and disadvataged individuals

SBA requested that these reports now required under sections 7(i) and 7(l) if the Small Business Act be eliminated.

The House bill provides that these individual reporting requirements be repealed but that the general reporting requirements of section 10(b) be rewritten to include these matters.

The Senate amendment contains no comparable provision.

The conference substitute includes the House provision.

TITLE XX—VETERANS' PROGRAMS

1. Burial benefits

House bill.—The House bill would limit payment of non-service-connected burial benefits—$300 for burial and funeral expenses and a $150 plot allowance—to those cases in which the deceased veteran's annual income, including spouse's income, does not exceed $20,000. This limitation would be effective only with respect to deaths occurring during fiscal years 1982 through 1984.

Senate amendment.—The Senate amendment would generally limit the payment of both benefits to those cases in which the deceased veteran was entitled to receive Veterans' Administration service-connected disability compensation for a disability rated at 30 percent or more in the cases of deaths occurring in the last three months of fiscal year 1981, for a disability rated at 20 percent or more in the cases of deaths occurring in fiscal year 1982, and for any compensable disability in the cases of deaths occuring in fiscal year 1983 and thereafter; and to those cases in which the veteran was entitled to receive VA pension or met the income and wartime service eligibility requirements for pension. (Other pension eligibility requirements relate to disability, age, and duration of service.)

Conference agreement.—The conference agreement would limit, effective October 1, 1981, the payment of the $300 burial and funeral expenses benefit, which would be payable thereafter only in the cases of deceased veterans who were entitled to receive VA compensation or pension. (Pursuant to present section 3021(a) of title 38, United States Code, a veteran would be deemed to have been so entitled if the evidence on file at date of death was sufficient to support a determination of entitlement.) The $150 plot allowance would not be affected. The Senate recedes with respect to fiscal year 1981 and the House recedes with respect to having the limitation apply only during fiscal years 1982 through 1984.

This provision is estimated to save $75.2 million in budget authority and outlays in fiscal year 1982, $79.8 million in budget authority and outlays in fiscal year 1983, and $84.4 million in budget authority and outlays in fiscal year 1984.

2. Outpatient dental benefits

House bill.—The House bill would terminate, effective October 1, 1981, benefits for outpatient treatment for certain non-compensable service-connected dental conditions.

Senate amendment.—The Senate amendment would, effective October 1, 1981, restrict eligibility for these dental benefits in three

ways. First, the period of time after discharge within which the veteran must apply would be reduced from one year to six months. Second, a 180-day minimum service requirement would be imposed. Third, these benefits would not be provided to a veteran who had been certified by the armed service concerned as having received a complete dental examination and all indicated treatment during the 90 days immediately prior to discharge.

Conference agreement.—The House recedes with an amendment reducing the period of time after discharge within which the veteran must apply to three months. In addition, the Secretary of the service concerned would be required to provide the servicemember, at the time of discharge from a period of active duty of not less than 180 days, with actual notice (verified by a statement, signed by the servicemember—or if the servicemember refuses to sign, a certification by an authorized official—to be made a part of his or her permanent military records) of the new three-month limitation.

This provision is estimated to save $17.7 million in budget authority and outlays in fiscal year 1982, $18.9 million in budget authority and outlays in fiscal year 1983, and $20.3 million in budget authority and outlays in fiscal year 1984.

3. Flight training

House bill.—The House bill would terminate, effective October 1, 1981, GI Bill education benefits for the pursuit of flight training.

Senate amendment.—No provision.

Conference agreement.—The Senate recedes with an amendment providing that those who are enrolled in approved vocational flight training programs on August 31, 1981, may continue to use their benefits for the purpose of such programs as long as they remain continuously enrolled.

This provision is estimated to save $14.1 million in budget authority and outlays in fiscal year 1982, $20 million in budget authority and outlays in fiscal year 1983, and $17 million in budget authority and outlays in fiscal year 1984.

4. Correspondence training

House bill.—The House bill would terminate, effective October 1, 1981, GI Bill education benefits for the pursuit of training by correspondence courses.

Senate amendment.—No provision.

Conference agreement.—The conference agreement would reduce, from 70 percent to 55 percent, effective October 1, 1981, the portion of the cost of correspondence training paid by the Veterans' Administration. The 70 percent rate would apply only to lessons completed and submitted (that is, postmarked, if submission is by mail) before October 1, 1981.

This provision is estimated to save $3.2 million in budget authority and outlays in fiscal year 1982, $3 million in budget authority and outlays in fiscal year 1983, and $2.6 million in budget authority and outlays in fiscal year 1984.

5. Education loan program

House bill.—The House bill would terminate, effective October 1, 1981, the VA education loan program.

Senate amendment.—The Senate amendment would, with two exceptions, terminate the program effective October 1, 1982. Under those exceptions, education loans would remain available for use by certain Vietnam-era veterans pursuant to current law: (1) those continuing their full-time training in the first two years after the expiration of the GI Bill delimiting period, and (2) those pursuing flight training courses.

Conference agreement.—The conference agreement incorporates the House termination date with the Senate exceptions.

This provision is estimated to save $6 million, in outlays only, in fiscal year 1982, $5 million, in outlays only, in fiscal year 1983, and $4 million, in outlays only, in fiscal year 1984.

6. Health care cost recovery

House bill.—No provision.

Senate amendment.—The Senate amendment would clarify the VA's authority to recover the costs of non-service-connected health care in certain situations in which the veteran would be eligible to have those costs paid by a workers' compensation carrier, an automobile no-fault insurer, or a state that pays health-care costs for victims of crimes of personal violence.

Conference agreement.—The Senate recedes. It is noted that H.R. 3499, as passed by the House on June 2, 1981, contains a very similar provision, and the Veterans' Affairs Committees expect such a provision to be enacted in that bill.

XXI—PROVISIONS RELATING TO MEDICARE AND MEDICAID

1. Nutritional therapy under end stage renal disease program

House bill.—The House bill allows coverge under the medicare program for nutritional therapy (when it is used as a means of delaying or substituting for the provision of kidney dialysis) for those beneficiaries who would otherwise qualify for medicare benefits.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision. However, it is the intention of the conferees that the Secretary conduct and promptly complete all studies and experiments required under present law which pertain to the use of, or reimbursement for, nutritional therapy; and, that the Secretary transmit a full and complete report with respect to each study and experiment (containing evidence of the use of statistically valid methods) and including relevant findings and any conclusions or recommendations to the appropriate committees of the Congress not later than January 1, 1983.

2. Elimination of carryover from previous year of incurred expenses for meeting the part B deductible

House bill.—The House bill repeals the provision of current law that permits beneficiaries to count expenses incurred in the last quarter of the previous calendar year in determining whether they have met the annual part B deductible for the current year. The provision would apply to the deductible for calendar year 1982 with respect to expenses incurred on or after October 1, 1981.

Senate amendment.—The Senate amendment contains the same provision.

Conference agreement.—The conference agreement includes the House provision.

3. Increase in part B deductible

House bill.—The House bill increases the $60 part B deductible to $70 in calendar year 1982. Under the bill, beginning in 1983, the deductible would be increased each year by the same percentage as the annual social security cash benefits increase.

Senate amendment.—The Senate amendment increases the part B deductible to $75 beginning in calendar year 1982. The Senate amendment did not include an indexing provision.

Conference agreement.—The conference agreement includes the Senate amendment.

4. Changes to part B premium to conform to title II changes

House bill.—The House bill moves the date of the annual part B premium increase from July 1 to October 1, consistent with proposed title II changes which were deleted from the bill by an amendment on the floor of the House.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

5. Increases in the part B premium

House bill.—No provision.

Senate amendment.—The Senate amendment sets the part B premium for both the aged and disabled at an amount equal to 24 percent of program costs for the aged, based on estimates made by the Secretary each December for the 1-year period beginning the following July.

Conference agreement.—The conference agreement does not include the Senate provision.

6. Adjustment in payment for inappropriate hospital services

House bill.—The House bill amends the provision of Public Law 96-499 which provides that, where a beneficiary who no longer requires acute hospital services must remain in the hospital because no long-term care bed is available in the area, the hospital will be reimbursed at a daily rate equal to the adjusted average medicaid skilled nursing facility (SNF) rate in the State for persons needing SNF services, and for purposes of medicaid, at the intermediate care facility (ICF) rate for patients needing ICF services. Public Law 96-499 provided that the reduced level of reimbursement does not apply where a hospital's annual occupancy rate is equal to or greater than 80 percent. The House bill eliminates, for both medicare and medicaid, the occupancy test as a factor in determining reimbursement rates, except for public hospitals. The House bill also provides that no reduction will be made where the Secretary determines that there is no excess of hospital beds in the area in which the hospital is located. The provision is effective for services provided beginning with the month following the date of enactment.

Senate amendment.—The Senate amendment eliminates the occupancy test for both medicare and medicaid. The amendment provides for no reduction in the payment rate where the Secretary determines that there is no excess of hospital beds in either the individual hospital or in the area which could be converted for use in providing long-term care services.

Conference agreement.—The conference agreement generally follows the Senate amendment, but with the House effective date and with a modification which provides that no reduction will be made in the case of a public hospital if: (a) such hospital itself has no excess beds and is part of a public hospital system which, in the aggregate, has no excess of hospital beds; or (b) such hospital, which is not part of a public hospital system in the area, has no excess of hospital beds.

It is the intention of the conference committee that the Secretary, in determining whether there is an excess of hospital beds, should take into account whether skilled nursing facility beds are actually available for patients of public and private hospitals and whether it is feasible for a hospital to convert its beds to long-term care use.

Although the bill eliminates the 80 percent occupancy test, the conference committee does not intend to preclude its use as a measure of whether excess hospital beds exist; instead, the Secretary would have flexibility to take into account size of hospitals and other factors in determining whether there are excess beds.

The conference committee intends that determinations regarding excess beds and reductions in reimbursement should be made on the basis of criteria promulgated in advance, and at intervals and with data requirements so as not to impose major administrative burdens on hospitals.

7. Incentive reimbursement rate for renal dialysis services

House bill.—The House bill requires the Secretary of Health and Human Services to prescribe in regulation a method (or methods) for determining the amounts of payments to be made for renal dialysis services incorporating in a single reimbursement rate structure, reimbursement for dialysis treatments in a facility and dialysis treatments in the home setting. The House bill requires the method promulgated by the Secretary to provide for a prospectively set rate (or rates) for each mode of care, and to be established on the basis of a single composite weighted formula taking into account the proportions of patients dialyzing in a facility and those dialyzing at home. The House bill further permits the Secretary to promulgate an alternative rate setting method if he determines, after detailed analysis, that an alternative rate setting method would provide greater incentives for increased use of lower-cost home dialysis than would a single composite rate.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill with modifications. Separate composite weighted formulae would be calculated for hospital-based and for other renal dialysis facilities. Both formulae would continue to take into account the proportions of patients dialyzing in a facility and those dialyzing at home and the relative costs of providing services in such settings.

In addition, if the Secretary determines, after detailed analysis, that another method (or methods) of determining prospectively the amounts of payments to be made for dialysis services would more effectively encourage the more efficient delivery of dialysis services and would provide greater incentives for increased use of less costly home dialysis than the dual composite weighted formula, the Secretary may use such other method, (which must differentiate between hospital-based facilities and other renal dialysis facilities). The payment method adopted must provide for exceptions for unusual circumstances (including the special circumstances of sole facilities in isolated, rural areas).

The conference committee expects that an area wage adjustment will be used in determining the reimbursement rates.

8. Limits on reimbursement to home health agencies

House bill.—The House bill reduces from the 80th to the 75th percentile the medicare reimbursement limits currently applied to home health agency costs. Such limits, established by regulation, are set at the 80th percentile of average per visit costs, calculated by type of service but applied as a single aggregate limit. The House bill permits use of an alternative methodology providing the resulting limits are no less stringent than those that would be achieved using the 75th percentile under the current methodology.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House provision with a clarification to permit continuation of the Secretary's authority to grant exemptions and exceptions from the reimbursement limits. Although home health agency reimbursement limits are currently being imposed as a single aggregate limit, the conference committee urges the Secretary, as soon as feasible, to begin to impose the limits by type of service.

The provision is effective for cost reporting periods of home health agencies ending after September 30, 1981, but the lower limits are applicable only in proportion to that portion of the reporting period occurring after that date. For the sake of clarity, the following example is given:

A home health agency has a cost reporting period ending December 31, 1981 with aggregate medicare costs of $175,000. The aggregate cost limit for the period beginning January 1, 1981 was $160,000 and the aggregate limit under the bill was $150,000. The disallowance in this situation would be $17,500. This is computed as follows: The disallowance under the old limit ($15,000) plus the proportionate share of the disallowance resulting from the application of the new limit. The proportionate share of the disallowance resulting from the application of the new limit is $25,000 (new limit disallowance) minus $15,000 (old limit disallowance) multiplied by the portion of the cost reporting period after September 30, 1981 (25 percent). Thus the total disallowance is $17,500 ($15,000 + $2,500).

9. Civil money penalties

A. *House bill.*—The House bill authorizes the Secretary to impose a civil money penalty of up to $2,000 for fraudulent claims under medicare or medicaid, to impose an assessment of twice the amount of the fraudulent claim, and to bar from participation per-

sons determined to have filed a fraudulent claim. There would be a right to written notice and an opportunity for a hearing on the record.

Senate amendment.—The Senate amendment includes a similar provision.

Conference agreement.—The conference agreement includes the Energy and Commerce Committee language of the House provision. The conference agreement includes a technical amendment deleting language in section 1128(a)(1) of the Social Security Act to conform the provision to that in section 1862(d) of the Act.

B. *House bill.*—The Ways and Means Committee provision of the House bill provides that a person would be entitled to a trial *de novo* in any case in which the penalties imposed exceeded $15,000 for services during a 2-year period or where the person was barred from participation for more than 5 years. The Energy and Commerce provision of the House bill provides for a trial *de novo* for penalties of $25,000 in a 1-year period; no trial *de novo* would be provided when an individual was barred from participation.

Senate amendment.—No provision.

Conference agreement. The conference agreement does not include either of the House provisions.

C. *House bill.*—The House bill provides that no penalties will be assessed nor payment prohibited until all administrative and judicial remedies have been exhausted.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House provision with an amendment deleting the reference to exhaustion of judicial remedies and providing that no penalties will be assessed nor payment prohibited until all administrative remedies have been exhausted.

10. Utilization guidelines for the provision of home health services

House bill.—The House bill requires the Secretary of Health and Human Services to establish and provide for the implementation of utilization guidelines for home health services by October 1, 1981. The bill requires the Secretary to issue instructions to medicare intermediaries for a program of post-payment coverage review of submitted claims, on a sample basis, to monitor compliance with the medical necessity and other requirements of present law for medicare coverage of home health services.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

11. Technical corrections for errors made by the "Medicare and Medicaid Amendments of 1980"

House bill.—The House bill restores a provision that was erroneously deleted by Public Law 96-499 (the provision limited part B reimbursement to the lower of the provider's customary charge or the reasonable cost of the covered services). The House bill makes several other minor technical and clerical corrections.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision, with a technical correction.

12. Statutory guidelines for implementing AFDC home health aide demonstration

House bill.—The House bill requires the Secretary to establish by October 1, 1981, such guidelines and regulations as are necessary to assure that agreements with the States for the conduct of demonstration projects for the training and employment of AFDC recipients as homemakers and home health aides, as provided for by Public Law 96-499, are entered into by January 1, 1982. The House bill requires the Secretary to report to Congress during January 1982 on the current and anticipated progress of the projects.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision. It is the intention of the conference committee that the Secretary will speed up the implementation of the provision of Public Law 96-499 and enter into as many agreements as possible subject to the 12 State limit.

13. Professional standards review organizations

A. *House bill.*—The House bill directs the Secretary to assess, not later than September 30, 1981, the relative performance of each Professional Standards Review Organization (PSRO) in: (1) monitoring the quality of patient care, (2) reducing unnecessary utilization, and (3) managing its activities effectively. The bill authorizes the Secretary, based on this assessment, to terminate up to one-half of current PSROs by the end of fiscal year 1982.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision with an amendment to limit the number of PSROs which the Secretary can terminate by the end of fiscal year 1982 to 30 percent of the current PSROs.

B. *House bill.*—The House bill provides States the option of contracting with PSROs for medicaid review and provides for a 75 percent Federal matching rate for the costs of review. (Currently, the Secretary of HHS contracts with PSROs to conduct medicare and medicaid review with the Federal government financing 100 percent of the cost.)

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

C. *House bill.*—The Energy and Commerce Committee provision of the House bill requires the Secretary, in conjunction with termination of ineffective PSROs, to consolidate PSRO areas so that there would be no more than five PSROs in any State.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

D. *House bill.*—The Ways and Means Committee provision of the House bill repeals the PSRO program effective September 30, 1983.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

E. *House bill.*—The House bill permits, instead of requiring, as under current law, PSROs to delegate review to hospitals where the hospital demonstrates its effectiveness in conducting such review.

Senate amendment.—No provision.

Conference agreement. The conference agreement includes the House provision.

F. *House bill.*—The House bill repeals the provision of current law which authorizes the Secretary to require review of ancillary, ambulatory, and long-term care services only where the cost effectiveness of such review has already been demonstrated. The House bill thereby allows the Secretary to permit PSROs to review such services.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

14. Repeal of utilization review committee requirement

House bill.—The House bill repeals the statutory requirement for utilization review committees in institutions for medicare and medicaid.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

15. Medicare as secondary payor to Federal Employees Health Benefits (FEHB) program

House bill.—The Ways and Means provision of the House bill provides that, for persons age 65 and over, who are entitled to coverage under both medicare part B and FEHB, medicare would become the secondary payor. Under the provision, medicare part A would become the secondary payor to the FEHB program only with respect to those persons reaching age 65 on or after January 1, 1982. (The Post Office and Civil Service Committee provision calls for maintaining the present law relationship between FEHB and medicare.)

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include either of the House provisions.

16. Medicare hospital reimbursement experiments

House bill.—The House bill repeals the provision of current law limiting the number of statewide medicare hospital reimbursement demonstration projects to six.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision

17. Payments to promote closing and conversion of under-utilized facilities

House bill.—The House bill premits medicaid matching (other than in medically underserved areas) for cost associated with eliminating excess bed capacity, discontinuing and underutilized service for which there are adequate alternative resources in the area, or substituting for the underutilized service some other service which is needed in the area. The House bill provides that such matching would be available only to the extent that such expenditures are consistent with a State statutory program for reduction of the number of hospital beds (where there is such a program) and sec-

ondly that fair and equitable arrangements have been made to protect the interests of employees affected by any discontinuance of hospital services. The House bill further provides that Secretarial approval would be required to the extent payments exceeded the medicare reasonable cost level.

Senate amendment.—The Senate amendment provides for reimbursement under titles V, XVIII, and XIX for capital-related and increased operating costs associated with closing or conversion to approved use, of underutilized beds or services in hospitals. The Senate amendment establishes a Hospital Transitional Allowance Board to advise the Secretary regarding such payments and provides that the Secretary's final determination with respect to a hospital's request for a transitional allowance is not subject to judicial review. The Senate amendment further provides that, prior to January, 1, 1984, transitional allowance payments could be made to no more than 50 hospitals; and requires the Secretary to report to Congress by January 1, 1983 on this program.

Conference agreement.—The conference agreement follows the Senate amendment with modifications. The Conference agreement eliminates the provision establishing a Hospital Transitional Allowance Board and provides the Secretary of HHS with authority to make transitional allowance payments. A transitional allowance may not be paid unless the proposed closing or conversion is consistent with the findings on an appropriate health planning agency and with any applicable State program for reduction in the number of hospital beds in the State. Further, the agreement deletes the provision specifying that the Secretary's final determination with respect to a hospital's request for a transitional allowance is not subject to judicial review. The provision permitting transition allowance payments under title V would be deleted. A State may, at its option, include as a cost in hospital reimbursement under medicaid (title XI) periodic expenditures made to reflect transition allowances under medicare (title XV.)

It is the intention of the conference committee that transitional allowance payments for closure will not be made to hospitals located in medically underserved areas. It is also the intention of conference committee that, as a condition for granting a transitional allowance, the Secretary is satisfied that fair and equitable arrangements have been made to protect, to the extent feasible, the rights and benefits of employees affected by any discontinuance of hospital services, with respect to their employment, as provided for under contractual arrangements with the hospital.

18. Limitation on medicare and medicaid payments for certain drugs

House bill.—The House bill prohibits payments under medicare part B and medicaid for those prescription drugs which were approved prior to the 1962 amendments to the Federal Food, Drug and Cosmetic Act and which the Secretary, or his delegate, determines to be less than effective in use. The House bill also terminates reimbursement for all identical, related, or similar drug products which are not medically necessary by publishing a notice of an opportunity for hearing under section 505(e) of the Federal Food, Drug and Cosmetic Act.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

19. Withholding of payments for certain medicaid providers

House bill.—The House bill authorizes the Secretary to offset, from reimbursements due to medicare providers, overpayments made to them under medicaid in cases where the provider has terminated or substantially reduced his participation in medicaid. The House bill provides that State medicaid agencies would be reimbursed from amounts recovered.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

20. Elimination of need for occupational therapy as a basis for entitlement to home health services

House bill.—No provision.

Senate amendment.—The Senate amendment eliminates occupational therapy as a qualifying criterion for home health benefits.

Conference agreement.—The conference agreement follows the senate amendment with a modification which provides that where an individual has otherwise qualified for home health benefits (i.e., on the basis of his need for skilled nursing care, speech therapy or physical therapy), his eligibility for home health services may be extended solely on the basis of his continuing need for occupational therapy.

21. Elimination of unlimited open enrollment; restrictions on new State buy-in agreements

A. House bill.—No provisions.

Senate amendment.—The Senate amendment repeals the provision of Public Law 96-499 which provided for continuous open enrollment under medicare part B and reinstitutes the annual January-March enrollment period.

Conference agreement.—The conference agreement includes the Senate provision.

B. *House bill.*—No provisions.

Senate amendment.—The Senate amendment repeals the provision of Public Law 96-499 which allowed States, during calendar year 1981, to enter into or modify their medicare part B buy-in agreements on behalf of their medicaid eligibles.

Conference agreement.—The conference agreement does not include the Senate provision.

22. Pneumococcal vaccine

House bill.—No provision.

Senate amendment.—The Senate amendment repeals the pneumococcal vaccine coverage under medicare as authorized by Public Law 96-611. The Senate amendment provides that vouchers would be made available on a one-time basis to non-institutionalized recipients of Federal Supplemental Security Income (SSI) payments who are aged 65 and older. The value of the voucher would be the medicaid allowable charge by, or cost to, a physician or other provider in administering pneumococcal vaccine (including the cost of the vaccine) but not to exceed $10. In addition, the Senate amend-

ment provides that Federal matching would be made available on a permanent basis under title XIX, equal to 100 percent of the reasonable cost incurred, not to exceed $10 per vaccination, for pneumococcal vaccine provided to any individual age 65 or older who is eligible under the State medicaid plan or who is receiving Supplemental Security Income benefits.

Conference agreement.—The conference agreement does not include the Senate provision. The conferees intend that a one-time announcement informing medicare beneficiaries of the pneumococcal vaccine benefit be included in a regular mailing of social security checks.

23. Criteria for determining reasonable charge for physician's services

House bill.—No provision.

Senate amendment.—The Senate amendment requires the calculation under medicare (in any State with more than one locality) of statewide median charges in addition to prevailing charges in the locality. The amendment provides that to the extent that any prevailing charge in a locality is more than one-third higher than the statewide median charge for a given service, such prevailing charge would not be automatically increased each year. The Senate amendment also permits new physicians in localities which are designated by the Secretary as physican-shortage areas to establish their customary charges at the "prevailing" level (i.e., generally at the 75th rather that the 50th percentile) of customary charges in the locality.

Conference agreement.—The conference agreement does not include the Senate provision.

24. Limitation on reasonable charge for outpatient services

House bill.—No provision.

Senate amendment.—The Senate amendment requires the Secretary to establish by regulation limitations on costs or charges that will be considered reasonable for outpatient services provided by hospitals, community health centers or clinics and by physicians utilizing these facilities. The Senate bill provides that limitations are to be reasonably related to the reasonable charges in the same area for similar services provided in physicians' offices.

Conference agreement.—The conference agreement follows the Senate provision with the following modifications: (A) the limitations will not apply with respect to *bona fide* hospital emergency room services; (B) actual charges, not medicare-determined reasonable charges of physicians, will be used in developing the limitations; (C) the Secretary is required to establish such limitations only to the extent feasible; and (D) exceptions may be provided in areas where physician services are not generally available.

25. Medicare payments secondary in cases of end-stage renal disease

House bill.—No provision.

Senate amendment.—The Senate amendment provides that medicare would become the secondary payor for the first 12 months after an individual has been determined to be eligible for end-stage renal benefits under the medicare program, but only where such individual has private health insurance coverage, and provided

that the individual is under age 65 and is eligible as a renal disease beneficiary. The Senate amendment provides that medicare would become the primary payor beginning with the thirteenth month following the month in which entitlement to end-stage renal benefits is established. The Senate amendment would also deny, as a business expense deduction under the tax code, the expenses paid or incurred by an employer for a health plan, if such plan contains a discriminatory provision that reduces or denies payment of benfits for renal patients.

Conference agreement.—The conference agreement follows the Senate provision with modifications.

The conference agreement would require, in the case of renal disease beneficiaries, that medicare would pay for the beneficiary's care in the usual manner and then obtain reimbursement from the beneficiary's private group health insurance plan for the items and services covered by that plan until such time as the Secretary determines that the beneficiary's plan has begun to make payments promptly or will be able to make such payments as promptly as would be the case if medicare were making the payment. It is the conferees' intent, in providing for such administrative discretion with respect to the point at which medicare need no longer be the first payor, that the Secretary's decision will be made in recognition of the need to assure prompt payment, avoid inconvenience to the patient, and encourage home dialysis. The payment arrangements contemplated by the conferees are intended to minimize patient anxiety about the source of promptness of payment and to avoid delays in reimbursement for expenses incurred in connection with the use of renal equipment, supplies or services. Under the conference agreement, the secondary payor arrangement would apply only where the private coverage of the medicare beneficiary is through an employer group health plan.

The conference committee is also concerned about potential job discrimination resulting from this provision, and directs the Secretary to investigate promptly complaints of this nature, and report its findings to the Congress periodically.

PROVISIONS RELATING TO MEDICARE

1. Elimination of coverage of alcohol detoxification facility services

House bill.—The House bill repeals the provision in present law under which reimbursement for inpatient alcohol detoxification services in freestanding facilities is authorized. The House bill also repeals the requirement that the Secretary conduct studies and demonstration projects related to alcohol and drug detoxification and rehabilitation. The provision in the House bill regarding reimbursement would apply to inpatient stays in detoxification facilities beginning on or after the tenth day after the date of enactment.

Senate amendment.—The Senate amendment contains the same provisions as the House bill, except for the effective date. Reimbursement could not be made with respect to services furnished after the month of enactment.

Conference agreement.—The conference agreement includes the House provision.

2. $1 copayment for each of first 60 days in hospital

House bill.—The House bill imposes a $1 copayment on medicare inpatients for each of the first 60 days of care during a spell of illness.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

3. Making part A coinsurance current with the year in which services are furnished

House bill.—The House bill bases the part A coinsurance on the current year's deductible, rather than the deductible in effect at the time the beneficiary's spell of illness began.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

4. Making part A coinsurance and deductible more current

House bill.—The House bill makes the part A deductible and coinsurance more current by adding $5 to the base figure of $40 in the formula that is used in the annual determination of the inpatient hospital deductible. The provision would apply with respect to inpatient hospital services furnished in calendar years beginning with 1982.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision

5. Offset of interest and other income on funded depreciation

House bill.—The House bill requires the offset of interest and other income earned on funded depreciation against allowable interest expense reimbursable under medicare.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

6. Limits on reimbursement to hospitals

House bill.—The House bill lowers medicare's reimbursement limits on hospital inpatient general routine operating costs from 112 percent to 108 percent of the mean costs of each comparable group of hospitals under the methodology now used to make such determinations, or to some other no less stringent limit.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision with a modification that continues the Secretary's current authority to permit exemptions (e.g. for a sole community provider) and exceptions from the limits.

The provision is effective for cost reporting periods of hospitals ending after September 30, 1981, but the lower limits are applicable only in proportion to that portion of the reporting period occurring after that date. For the sake of clarity, the following example is given:

A hospital has a cost reporting period ending March 31, 1982 with a per diem routine operating cost of $160. The limit effective for the cost reporting period beginning April 1, 1981 was $150 and

the limit issued pursuant to the bill was $140. The disallowance under the old limit was $100,000 and under the new limit $200,000. The actual disallowance in this case would be $150,000 which is computed as follows: Disallowance under old limit ($100,000) plus the proportionate share of the disallowance resulting from application of the new limit. The proportionate share of the disallowance resulting from the application of the new limit is $200,000 (new limit disallowance) minus $100,000 (old limit disallowance) multiplied by portion of cost reporting period after September 30, 1981 (50 percent) equals $50,000. Thus, the total disallowance is $150,000 ($100,000+$50,000).

7. Repeal of statutory time limitation on agreements with skilled nursing facilities

House bill.—The House bill repeals the provision in present law that requires skilled nursing facility provider agreements to be renewed on an annual basis.

Senate amendment.—Same provision.

Conference agreement.—The conference agreement follows the House provision.

8. Repeal of temporary delay in periodic interim payments (PIP)

House bill.—The House bill repeals the provision in Public Law 96-499 relating to a temporary delay in periodic interim payments.

Senate amendment.—Same provision.

Conference agreement.—The conference agreement includes the House provision.

9. Reduction in the 8½ percent routine nursing salary cost differential

House bill.—No provision.

Senate amendment.—The Senate amendment provides for a reduction in the routine nursing salary cost differential to 4.5 percent, and requires the Comptroller General to conduct a study to determine the extent to which higher payments are justified and report back to Congress.

Conference agreement.—The conference agreement follows the Senate amendment, except that the reduction in the routine nursing salary cost differential would be to 5 percent.

10. Elimination of certain dental coverage

House bill.—No provision.

Senate amendment.—The Senate amendment repeals the provision added by Public Law 96-499 which authorized hospitalization coverage under medicare where the severity of the non-covered dental procedure warrants inpatient care.

Conference agreement.—The conference agreement does not include the Senate provision.

PROVISION RELATING TO MEDICAID

1. Reduction in medicaid payments to the States

House bill.—The House bill provides that Federal matching payments to States would be reduced by 3 percent in FY 1982, 2 percent in FY 1983, and 1 percent in FY 1984, from the amounts to

which States would otherwise be entitled. The statutory matching formula would not be altered. Under this temporary pro rata reduction in Federal payments, a State would determine the total Federal payment due for Medicaid services and administrative costs by applying current matching rates. This total dollar amount would then be reduced by 3 percent, 2 percent, or 1 percent in the applicable year. A State could lower the amount of its reduction by one third for each of the following: (a) operating a qualified hospital cost review program; (b) sustaining an unemployment rate exceeding 150 percent of the national average; or (c) demonstrating recoveries from fraud and abuse and third party liability activities equal to 1 percent of Federal payments.

The House bill increases the ceiling on Federal matching payments in fiscal year 1982 for Puerto Rico (to $35 million), the Virgin Islands (to $1.5 million), and Guam (to $1.4 million). It establishes ceiling beginning in fiscal year 1982 for the Northern Mariana Islands ($350,000), and authorizes the participation of the following territories and establishes a ceiling for each: American Samoa ($350,000), and Trust Territory of the Pacific Islands ($1.4 million).

Senate bill.—The Senate bill provides that Federal matching payments to each state would be capped in FY 1982 and each succeeding fiscal year. For FY 1982, the cap on Federal payments would be set at 9 percent above estimated outlays for FY 1981. For FY 1983 and thereafter, Federal payments would be allowed to rise at the rate of inflation for that fiscal year as measured by the GNP Deflator. The bill excludes the following items from a cap: (a) Medicaid Management Information Systems; (b) State Medicaid Fraud Control Units; (c) payments to Indian Health Service Facilities; (d) interest payment owed to States on disputed claims; (e) payments owed to States for prior year claims; and (f) payments for pneumococcal vaccine for the aged. The bill also establishes a Medical Assistance Commission to report to the President and Congress on the validity and equity of adjustments in Federal matching payments under the cap to reflect factors out of a State's control, including population shifts, demographic changes, unemployment rates, eligibility and benefits policies, and changes in economic conditions. The bill also increases the ceiling in fiscal year 1982 for Puerto Rico (to $45 million).

Conference agreement.—The conference agreement follows the House provision with modifications. Under the conference agreement, the amount of Federal matching payments to which a State is otherwise entitled is to be reduced by 3 percent in fiscal year 1982, 4 percent in fiscal year 1983, and 4.5 percent in fiscal year 1984. A State could lower the amount of its reduction by one percentage point for each of the following: (a) operating a qualified hospital cost review program, (b) sustaining an unemployment rate exceeding 150 percent of the national average; and (c) demonstrating recoveries from fraud and abuse and, with respect to FY 82, third party recoveries equal to 1 percent of Federal payments. A State is entitled to a dollar for dollar offset in its reductions if total Federal Medicaid expenditures in a year fall below a specified target amount. In no case can the amounts recovered by a State through this means exceed the total amount withheld. In 1982, the target amount is equal to 109 percent of the State's estimates for

FY 81 which were received by the Secretary prior to April 1, 1981. In 1983 and 1984 the target amounts are equal to the 1982 target amount increased or decreased by the same percentage as the increase or decrease in the index of the medical care expenditure component of the consumer price index over the same period.

For purposes of caluclating whether a State has met its target amount in FY 84, its federal medical assistance percentage for FY 84 shall be deemed to be equal to such percentage for FY 83. This is done to assure that no rewards would be given to a State simply because of a change in the share of their prgram the Federal government pays for. The conference agreement excludes the following items from the determination of whether a State spends less than its target amount for a year: (a) adjustments with respect to prior year claims; (b) interest paid on disallowances for prior years; and (c) any offset payments the State has received for spending less than its target amount in the previous year, and (d) any of the reductions in the Federal funds a State receives that are imposed by this provision.

The conference agreement provides that no percentage reduction may be made for any quarter unless, as of the first day of the quarter, the Secretary has promulgated regulations pertaining to modified requirements for medically needy programs, and modifications in requirements for hospital reimbursement as provided for in this conference agreement and SNF/ICF reimbursement as provided for in the 1980 reconciliation bill. The conference committee expects that while regulations will initially be issued on an interim basis, the Secretary will move as rapidly as possible to issue them in final form, consistent with the requirements for review, comment, and the hearing process.

The conferees note that this approach to reducing Federal Medicaid expenditures does not preclude Arizona, which does not currently have Medicaid program, from establishing one. The reductions and bonuses are applicable to the existing programs in the 49 States and the District of Columbia.

The territories are excluded from the reduction and offset provisions. The territories are subject to the following limitations on Federal expenditures: Puerto Rico—$45 million; Virgin Islands—$1.5 million, Guam—$1.4 million, and the Northern Mariana Islands—$350,000.

The conference agreement provides that a qualified hospital cost review program is one which has been established by statute, is operated directly by a State, applies to substantially all non-Federal hospitals, and reviews all non-Medicare inpatient revenues or expenses or at least 75 percent of all revenues or expenses including those arising under Medicare. All qualifying programs must assure the Secretary that each entity which pays for hospital services, employees, and patients (including the Medicare and Medicaid programs) is provided substantially equal treatement with regard to the costs or rates approved by the State agency in each hospital. To be approved the State must show that the annual rate of increase in aggregate hospital inpatient costs per capita or per admission have risen at least 2 percentage points less (using a one, two, or three year base) than the rate of inflation in all States without qualifying programs. The increase in inpatient expenditures per capita is generally considered to be the most suitable measure to

judge effectiveness because it recognizes the effects of population changes on hospital costs and it produces incentives to the cost review programs to dicourage excess hospital use as well as to contain unit costs. However, this measure could affect adversely states experiencing a changing pattern of persons crossing State borders to obtain hospital care or States with an acceleration of population decline. For this reason, the conferees expect that States will be permitted to demonstrate effectiveness using data on inpatient hospital expenses per case.

The conference committee notes that some State programs do not actually process reports from hospitals with projected cost increases below an announced target. The revenues or expenses of such hospitals should be considered by the Secretary as reviewed for the purposes of determining if a program reviews sufficient revenues or expenses to be a qualified program.

Further, the conference committee further notes that the test set forth to determine a qualified hospital cost review program is not meant to preclude State or substate experiments with approved waivers.

The conferees understand and intend that the States which have qualified hospital cost review programs are Connecticut, Maryland, Massachusetts, New Jersey, New York, and Washington.

2. Federal Medical Assistance Precentage Formula

A. House bill.—No provision.

Senate amendment.—The Senate bill lowers the minimum Federal share of State's payments for Medicaid from 50 percent to 40 percent, effective for State expenditures made on or after October 1, 1981.

Conference agreement.—The Conference agreement does not include the Senate provision.

B. *House bill.*—The House bill requires the Comptroller General, in consultation with the Advisory Committee on Intergovernmental Relations, to study the existing matching formula and report to Congress by March 31, 1982, with recommended revisions.

Senate amendment.—The Senate amendment establishes a Medical Assistance Commission to report to the President and Congress on the validity and equity of adjustments in Federal matching payments under the cap to reflect factors out of State's control, including population shifts, demographic changes, unemployment rates, eligibility and benefit policies, and changes in economic conditions.

Conference agreement.—The conference agreement follows the House provision with an amendment. The conference agreement provides for a study by the General Accounting Office of the Federal medical assistance percentage. The study shall include the feasibility and consequences of revising the formula to take into account the relevant factors bearing on an equitable distribution of Federal funds. The study should also include an analysis of the impact of appropriate modification of the target rate for a State if it experiences substantial changes in composition or characteristics of its population (e.g., increased unemployment or aging of the population) which are out of the ordinary and effectively not within the control of the State.

3. Hospital reimbursement rate determination

A. House bill.—The House bill repeals the provision of current law which requires State Medicaid programs to pay for inpatient hospital services on a reasonable cost basis as defined under medicare except where the Secretary has approved an alternative reimbursement method. The House bill requires that State payments for inpatient hospital services (a) be "reasonable and necessary to the efficient and economical delivery of services," (b) take into account the special costs of hospitals whose patients are disproportionately Medicaid eligible or without third party coverage, and (c) are sufficient to assure that Medicaid patients have reasonable access to services of adequate quality.

Senate amendment.—The Senate amendment also repeals the current law provision. It requires that State payments for inpatient hospital services be "reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities" in order to meet applicable laws and quality and safety standards. The Senate amendment provides that the amount paid cannot, in the aggregate, exceed the amount determined to be reasonable under Medicare.

Conference agreement.—The conference agreement follows the Senate amendment with a modification providing that States, in developing their payment rates, take into account the situation of hospitals which serve a disproportionate number of account the atypical costs incurred by hospitals which serve a disproportionate number of low income patients. The conferees recognize that public hosptials and teaching hospitals which serve a large Medicaid and low income population are particularly dependent on Medicaid reimbursement, and are concerned that a State take into account the special situation that exists in these institutions in developing their rates. Further, the conferees intend that State hospital reimbursement policies should meet the costs that must be incurred by efficiently-administered hospitals in providing covered care and services to medicaid eligibles as well as the costs required to provide care in conformity with State and Federal requirements. It also is recognized that States may limit increases to the increases that result from price increases for goods and services purchased by hospitals, as measured by such indices as the national hospital input price index, for example.

B. *House bill.*—The House bill requires States as of October 1, 1983, to use a prospective payment system for inpatient hospital services.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

C. *House bill.*—The House bill requires the Secretary to develop, by March 31, 1982, a prospective payment methodology for inpatient hospital services.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House provision with a modification which requires the Secretary to develop a model prospective payment methodology for inpatient hospital services which could be used both under the Medicare and medicaid programs. At least one model developed should include the use of case-mix groupings for the classification of hospitals. The

conference agreement further provides that the Secretary shall report on the progress in developing his system by July 1, 1982.

D. *House bill.*—No provision.

Senate amendment.—The Senate amendment requires that States provide assurances satisfactory to the Secretary, for the filing of uniform cost reports by each hospital and periodic audits by the State of such reports.

Conference agreement.—The conference agreement includes the Senate amendment.

4. Competitive arrangements for payment for laboratory services, medical devices, and drugs

House bill.—The House bill amends the current freedom of choice requirements to authorize States to purchase laboratory services, medical devices, or drugs through a competitive bidding process or otherwise in order for such arrangements to be approved, the Secretary must find that adequate sevices, devices, or drugs will be available; in the case of laboratory services, that the laboratories selected meet applicable quality standards and do no more than 75 percent of their business with Medicaid and medicare; and that the charges to medicaid for devices, drugs, and laboratory services are at the lowest rate charged in the area.

Senate bill.—No similar provision (See Item No. 5).

Conference Agreement.—The conference agreement follows the House provision with an amendment which deletes the provision that specifies that competitive or similar arrangements must assure that the prices charged the program would not exceed the lowest amount generally charged to others for similar items, and which eliminates drugs from the services which can be provided under these competitive bidding arrangements. (Note: See Item No. 5 for a discussion of the "freedom-of-choice" provision and for provisions relating to cost effective arrangements for drugs).

5. Waiver of medicaid requirements

House bill.—The House bill authorizes the Secretary to waive any Federal Medicaid requirements necessary to enable a State to (a) implement a primary care case management system, (b) lock individuals who overutilize services into particular providers, (c) limit the participation of providers who abuse the program, and (d) allow a locality to offer competing health plans to eligible persons. The bill requires the Secretary to act upon a State request for a waiver within 90 days of receiving the request and information necessary to make a determination. The Secretary is authorized to waive any Federal Medicaid requirements necessary to enable a State to share with program eligibles through direct payments or additional services the savings resulting from the use of cost-effective methods of health care delivery. The bill terminates the Secretary's waiver authority on September 30, 1985, and requires Secretary to report to Congress on waivers granted.

Senate amendment.—The Senate amendment repeals the freedom of choice provision of current law. It authorizes States to restrict Medicaid eligibles to obtain services through "cost-effective arrangements". It requires that such arrangements (a) provide for reasonable payment and (b) assure that Medicaid eligibles have reasonable access to covered services.

Conference agreement.—The conference agreement amends current law to permit a State to: (a) require individuals who overutilize services to use particular providers, and (b) limit the participation of providers, which the State has found (after notice and opportunity for a hearing in accordance with State administrative practices) to have, in a significant number or proportion of cases, abused the program. A restriction is permitted provided individuals eligible for a service have reasonable access (taking into account geographic location and reasonable travel time) to such services of adequate quality.

The conference agreement authorizes the Secretary to waive certain requirements of law to achieve certain program purposes provided he finds them to be cost effective, efficient, and not inconsistent with program intent. Under the waiver authority the Secretary to the extent necessary to implement a case management or speciality physician services arrangement is authorized to restrict the provider from or through whom individuals can obtain primary care services (other than under emergency circumstances), if such restriction does not substantially impair access to such services of adequate quality. Under the waiver authority, a locality is permitted to act as a central broker in assisting individuals in selecting among competing health plans. Further, the Secretary may waive requirements necessary to enable a State to share with recipients the savings resulting from use of more cost-effective service arrangements.

The conference agreement also provides that the Secretary may approve under the waiver authority, State restrictions on providers or practitioners from or through whom an individual may obtain services (other than emergency services and including drugs) provided: (a) such providers or practitioners must accept and comply with the reimbursement quality and utilization standards under the State plan; (b) such restrictions are consistent with access, quality, and efficient and economic provision of care and services; and (c) such restriction does not discriminate among classes of providers on grounds unrelated to their demonstrated effectiveness and efficiencies in providing services. The Secretary shall for purposes of evaluating waiver requests, develop performance standards for cost effective provision of services, based on such criterion as length-of-stay or cost per admission.

The conference agreement requires the Secretary to approve waiver requests within 90 days of submission. The conferees have approved a time limit in order that the States may implement program changes on a timely basis. The conferees intend that in cases where the Secretary has received incomplete information, it is expected he will deny such request until it meets standards outlined in regulations.

The conferees recognize the Secretary may begin granting waivers under this section shortly after enactment. They intend, however, that regulations be issued as soon as possible, consistent with hearing and comment requirements, so that States will receive guidance concerning the standards for waiver requests the Secretary will apply.

6. Elimination of EPSDT penalty

House bill.—The House bill repeals the current law provision which subjects States to a 1 percent reduction in Federal matching payments under their Aid to Families with Dependent Children program (AFDC) if they fail to meet certain performance standards for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services under Medicaid. The House bill further incorporates the EPSDT standards under title XIX.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision. It is the intention of the conference committee that States should continue to develop fully effective EPSDT programs. However, the current EPSDT reporting requirements, which entail a large volume of paperwork, should be significantly streamlined.

7. Repeal of required mediacid coverage for individuals aged 18-20

A. *House bill.*—The House bill repeals the requirement that States provide Medicaid coverage to persons under 21 who would be eligible for AFDC if attending school and instead makes coverage of such individuals optional.

Senate amendment.—Similar provision.

Conference agreement.—The conference agreement includes the Senate provision.

B. *House bill.*—No provision.

Senate amendment.—The Senate amendment allows States which choose to cover children under Medicaid who would be eligible for AFDC except for a school attendance requirement to limit such coverage to children under 21, 20, 19, or 18, or any reasonable category of such children.

Conference agreement.—The conference agreement includes the Senate amendment.

8. Removal of medicare reasonable charge limitation

House bill.—The House bill repeals the requirements that State Medicaid payments for physicians' services and certain medical supplies and laboratory services cannot exceed reasonable charge levels established under Medicare.

Senate amendment.—The Senate amendment modifies the House bill to provide that the existing Medicare limit must be applied in the aggregate.

Conference agreement.—The conference agreement includes the House provision.

9. Options for the provision of home and community-based care and requirement of preadmission screening for long-term care patients

A. *House bill.*—The House bill authorizes States, subject to approval by the Secretary, to provide Medicaid coverage for a range of home and community-based services pursuant to an individual plan of care to persons determined through a comprehensive assessment, to be in need of long-term skilled nursing facility (SNF) or intermediate care facility (ICF) services.

Senate amendment.—The Senate amendment authorizes the Secretary to waive Federal requirements to enable a State to cover

personal care services and other services pursuant to an individual plan of care to persons who would otherwise require institutionalization.

Conference Agreement.—The conference agreement includes the Senate provision with the following modifications: (1) States must determine that individuals would otherwise need institutional care. Currently, certification by a physician is often all that is required for nursing home placement. The conferees recognize that many medical and non-medical factors bear on a decision to seek long-term care, and thus all factors relating to the need for institutionalization should be taken into account in the evaluation of such need.

(2) States must determine that it is reasonable to provide individuals with alternative services, available at their choice, pursuant to a plan of care. While it is expected that the existence of alternatives will encourage the acceptance of community care, the conferees emphasize that the integrity of patient choice should be preserved. The determination of which long-term care options are feasible in a particular instance should be based on the individual's needs, as determined by an evaluation, and not short-term cost savings. While the conferees anticipate that the provision of community-based care will have a long range and significant impact on the size of States' Medicaid budgets, they do not believe that States should make decisions regarding the feasibility of community-based care on the basis of whether or not such arrangements will produce short-term cost savings. 3) The State must provide for the formulation of a written plan of care for persons provided waivered services, and must determine that the making available of alternative services to such persons would not result in overall expenditures in excess of those which would be incurred if that person were institutionalized. The cost of physician visits, hospitalization, prescription drugs, etc. that the individual would have received would be included in the State's estimates of Medicaid expenditures in addition to the cost of SNF or ICF care for that individual. 4) The following services may be included in the State program: nursing, medical supplies and equipment, physical and occupational therapy, and speech pathology and audiology, now authorized. Additional services which may be included are homemaker/home health aide personal care services; adult day health; habilitation; case management; respite care; and other services requested by the State and approved by the Secretary. Homemaker and adult day health care are defined in Title XX of the Social Security Act. Habilitation encompasses both health and social services needed to insure optimal functioning of the mentally retarded and the developmentally disabled. Respite care services are given to an individual unable to care for him/herself and which are provided on a short-term basis to such an individual because of the absence or need for relief for those persons normally providing such care. Services can be offered in the home of an individual or in an approved facility such as a hospital, nursing home, foster home, or community residential facility. Case management is a system under which responsibility for locating, coordinating and monitoring a group of services rests with a defined person or institution. 5) The State may set limitations on the amount, duration and scope of services provided to individuals pursuant to the waiver which may vary from that made available

to other Medicaid recipients. The Conferees recognize that in order to provide an appropriate mix of services tailored to the individual, it might be inadvisable to set definitive limits on each service, since the written plan of care delineates the number and frequency of services, and the State may establish a per capita ceiling on the total cost of each client's care.

B. *House bill.*—The House bill provides that the Secretary may not approve such coverage unless the State provides assurances that implementation would not result in a level of expenditures for all long-term services greater than the level of expenditures without coverage for such noninstitutional services.

Senate amendment.—No provision.

Conference Agreement.—The conference agreement follows the House provision with a modification to specify that the total of all medical assistance for services provided to individuals who would qualify for community-based care under the State program may not exceed, on an average per capita basis, the total expenditures which would be incurred for such individuals if they were institutionalized. In determining the per capita costs the conferees expect the costs of medical assistance for these community-based care recipients will be divided by the number of individuals who are determined likely to be institutionalized without these services. The conferees believe this will provide protections to assure that aggregate costs will not be greater than they would have been without these alternative services.

C. *House bill.*—The House bill would permit the Secretary to approve coverage for room and board services.

Senate amendment.—The Senate amendment would not authorize coverage for such services.

Conference agreement.—The conference agreement does not include the House provision.

D. *House bill.*—No provision.

Senate amendment.—The Senate amendment authorizes the Secretary to grant a waiver only if State assures that necessary safeguard have been taken to protect the health and welfare of any recipients of such services.

Conference agreement.—The conference agreement follows the Senate amendment with an additional amendment requiring States to provide assurances that they will maintain appropriate financial records documenting the cost of services provided pursuant to the waiver; such records must be made available on request to the Secretary.

E. *House bill.*—The House bill provides that effective October 1, 1982, Federal matching payments would not be available for SNF or ICF services provided to individuals who had not received a comprehensive assessment of their need for long-term institutional care prior to admission to an SNF or ICF, except in urgent circumstances as provided by the Secretary.

Senate bill.—No provision.

Conference agreement.—The conference agreement does not include the House provision. However, the conferees note that if a State has an assessment system for persons needing long-term care, the costs of that system are eligibile for Federal matching under the current Medicaid program.

F. *House bill.*—The House bill provides that a waiver granted a State under this provision shall be for three years, and may include a one-time waiver of Statewideness. Upon the request of the State, the waiver shall be extended for additional three-year periods unless the Secretary determines the assurances provided by the State have not been met.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House provision.

The conferees note that the Department of Health and Human Services has supported demonstrations in 13 States, chiefly through waiver authority, to allow Medicare and Medicaid funds to pay for a variety of home and community-based services under different systems of organization and reimbursement. While these programs on the whole have States have received little encouragement to make permanent changes in long-term care provision, and many of these projects will terminate in the near future. The Conferees feel these projects will provide data useful to States requesting waivers under this section. Therefore, they direct the Secretary of HHS to review the progress of these demonstrations, and to consider continuing funding for those projects which are meeting their stated goals.

10. Encouraging HMO Participation in State Medicaid Plans

A. *House bill.*—The House bill maintains the current law requirement that States enter into prepaid risk arrangments only with federally qualified HMO's. It requires that States entering into agreements with HMO's do so under a contract containing financial accountablity, nondiscrimination, and voluntary disenrollment provisions.

Senate amendment.—The Senate amendemnt repeals the current law provision that requires States that choose to enter into prepaid capitation or other risk-based arrangements to do so only with entities that meet Federal HMO standards (under title XIII of the Public Health Service Act), with certain exceptions. The Senate amendment permits a State to make payment on a prepaid capitation or other risk basis to any providers of services.

Conference agreement.—The conference agreement follows the House provision with an amendment to permit States to enter prepaid arrangements with other entities provided that such entity: (a) make covered services to Medicaid enrollees accessible on the same basis as to other Medicaid eligibles in the area; (b) has made adequate provision against risk of insolvency. Individuals eligible for benefits under a prepaid arrangement would in no case be held liable for debts of the organization in case of the organization's insolvency.

B. *House bill.*—The House bill modifies the current requirement that provided that within three years of entering into a Medicaid contract with a State an HMO must have an enrollment that consists of less than 50 percent Medicaid and Medicare beneficiaries. The House bill raises the current ceiling on Medicaid and Medicare beneficiaries in HMO's to 75 percent of enrollment and authorizes the Secretary to waive this ceiling altogether for public HMO's.

Senate amendment.—The Senate amendment repeals the current ceiling.

Conference agreement.—The conference agreement includes the House provision.

C. *House bill.*—The House bill authorizes the State to enter into arrangements with HMO's establishing minimum enrollment periods for Medicaid beneficiaries of not more than 6 months. Federal matching would be available for services provided to enrollees even if they lose their Medicade eligibility during the minimum enrollment period.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision, but limits applicability to Federally qualified HMO's.

D. *House bill.*—The House bill authorizes the Secretary to waive any Federal Medicaid requirements necessary to enable a State to share with program eligibles, through direct payments or additional services, the saving resulting from the use of cost-effective methods of health care delivery, such as HMO's.

Senate amendment.—The Senate amendment modifies the House provision to preclude the sharing of savings through direct payments to program eligibles.

Conference agreement.—The conference agreement includes the Senate provision.

11. Eliminating Federal matching for excessive preoperative stays and unnecessary tests

A. House bill.—The House bill prohibits Federal matching payments for hospital services furnished to medicaid eligibles admitted for elective surgical procedures (as defined by the Secretary) more than one day before the date of the operation.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

B. *House bill.*—The House bill prohibits Federal matching payments for inpatient hospital tests furnished to Medicaid eligibles not specifically ordered by the attending physician (except in emergency situations).

Senate amendment.—No provision.

Conference agreement.—The conference agreeement includes the House provision.

12. Permitting physician assistants and nurse practitioners to provide certain recertifications

House bill.—The House bill amends the current provision that requires a physician to recertify every 60 days the need for institutional services for Medicaid eligibles in a hospital, skilled nursing facility (SNF) or intermediate care facility (ICF). The House bill allows States to use physician assistants and nurse practitioners (within the scope of their practice under State law) to perform the recertification function.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

13. Limitation on Requirement for Collection of Third-Party Payments

House bill.—The House bill amends current law which requires States to recover payments due for services provided to a Medicaid eligible with private insurance or other third party coverage. The House bill provides that States need not collect third party liabilities in cases where the amount of reimbursement the State can reasonably be expected to recover is less than the costs of recovery.

Senate amendment.—No provision.

Conference agreement.—The conference agreement includes the House provision.

14. Recovery of disputed claims

House bill.—No provision.

Senate amendment.—The Senate amendment modifies current law provisions pertaining to recovery of amounts of Medicaid claims in dispute. The Senate amendment requires the Secretary to recover from a State any disputed claims after the issuance of a final notice of dissallowance. If the State is successful on appeal, the Secretary would be required to return the disputed funds to the State, with interest (at a rate based on the average of the bond equivalent of the weekly 90-day Treasury bill auction rates during the period). The Senate amendment applies to all disputed claims for which a notice of disallowance has been issued as well as for claims disallowed after enactment.

Conference agreement.—The conference agreement follows the Senate provision with a modification which permits the State to retain the funds in controversy except that the State would be liable for interest payments for the full time period it holds the funds if the disallowance is upheld on appeal. The conferees emphasize their intent that the Department should make every effort to expedite settling disputed claims as rapidly as possible.

15. Services for the medically needy

House bill.—No provision.

Senate amendment.—The Senate amendment modifies current law pertaining to conditions a State must meet if it chooses to offer coverage to its medically needy population. The Senate amendment repeals the following requirements: (a) a State must provide coverage to all medically needy groups; (b) services for all medically needy groups must be comparable in amount duration, and scope; (c) States must offer a minimum number of services to this population group; and (d) States must offer a mix of institutional and noninstutional care services (except that a State would continue to be required to offer home health services to any person eligible for skilled nursing facility care).

Conference agreement.—The conference agreement follows the Senate amendment with the following modifications (A) if a State provides medically needy coverage to any group it must provide ambulatory services to children and prenatal and delivery services for pregnant women; (B) if a State provides institutional services for any medically needy group it must also provide ambulatory services for this population group; and (C) if the State provides medically needy coverage for persons in intermediate care facilities for the mentally retarded (ICF/MRs), it must offer to all groups

covered in its medically needy program the same mix of institutional and noninstitutional services as required under current law.

The conferees understand the term "ambulatory services" to mean physician, clinic, nurse practitioner, dental, and preventive services. The conference committee expects the State to offer a service of sufficient amount, duration, and scope to achieve its purpose.

In the past the comparability language of the statute has been interpreted to mean identical treatment for eligibility criteria and scope of services within the medically needy program and between the categorically needy and medically needy programs. The intent of the amendment is to provide States' with flexibility in establishing eligibility criteria and scope of services within the medically needy program to address the needs of different population groups more appropriately. Nothing would allow, however, the State to cover individuals not covered under current law.

PREVENTIVE HEALTH SERVICES BLOCK GRANT ACT OF 1981 AND HEALTH SERVICES BLOCK GRANT ACT OF 1981

House bill.—In addition to reauthorizing categorical programs, the House bill consolidated certain health programs into two block grants. One block grant consolidated funding for preventive health services programs for control of rodents, and community and school-based fluoridation in the 314(d) authority of formula grants to the States for comprehensive public health services (health incentive grants).

Senate bill.—The Preventive Health Services Block Grant Act of 1981 (S. 1027) and the Health Services Block Grant Act of 1981 (S. 1028) consolidated a total of 17 formerly categorical health programs into two health block grants. These block grants would allocate to the states the same proportion of funds under the blocks as the state received in FY 1981 under the various separate categorical programs included in the block. After the first fiscal year in which a state received funds under both block grants, the legislature of the state would be required to conduct public hearings in order to be eligible to receive its allotment. The Chief Executive of a State would be required to prepare and furnish the Secretary of the Department of Health and Human Services a plan which would not be required to be elaborate, which describes how the state would carry out certain assurances and requirements contained in these acts. While the plans would have to be made available to public inspection within the state in a manner to facilitate comment, Federal approval of state plans would not be required.

CONFERENCE AGREEMENT

Health prevention and services block grant

The committee's bill consolidates into a Health Prevention and Services Block Grant the following categorical health programs:

Emergency Medical Services—Sec. 1202, 1203, 1203, PHS Act.
Health Incentive Grants—Sec. 314(d), PHS Act.
Hypertension Control—Sec. 317(j)(3), PHS Act.
Rodent Control—Sec. 317(a)(2) and 317(j)(2), PHS Act.
School-Based Fluoridation—317(j)(4), PHS Act.

Health Education/Risk Reduction—Sec. 401 and 420, P.L. 95-626.
Home Health—Sec. 339, PHS Act.
Rape Crisis Center—Sec. 602 Mental Health Systems Act.

The bill authorizes for this block grant $95 million for fiscal year 1982, $96.5 million for FY 1983 and $98.5 million for fiscal year 1984.

The Conferees agreed to include a number of health programs in the Preventive Health and Health Services Block Grant. With the exception of the allotments for services for rape victims and the prevention of rape, each state's proportion of the new block grant allotments is equal to the percentage of funds received by the state or entities within the state in FY 1981 under the categorical programs that have been included in the block grant.

The conference substitute also provides for State continuation of present Emergency Medical Services grants for one year. While no minimum award is specified for these grants, the conferees do not intend that this provision be used as a "backdoor" or indirect method of defunding an existing grantee. Block grant funds used for emergency medical systems may not be used for purchasing equipment or to pay for the costs of operating such systems.

Special provision has been made to assure that states will continue the on-going efforts to combat hypertension by requiring that in FY 1982, each state must provide for hypertension programs at least 75% of the amount provided by the Federal government to that State or entities within the state in FY 81. In FY 1983, the required amount would be 70% of the FY 81 level, and in FY 1984, 60%.

In addition to the specific requirements for funding various activities indicated above, the conference agreement requires States to certify that they will establish (1) reasonable criteria to evaluate the effective performance of entities which receive funds under the block grant, and (2) procedures for substantive independent State review of failure to provide funds to entities which had previously received funds under this block grant or under the Federal categorical programs that have been included in the block grant.

As part of the application process, the State must also certify that it has identified those populations, areas and localities in the State with a need for preventive health and health services. It is the intent of the Conferees that the State provide a fair method for allocating its allotment in accordance with the needs of its population, areas and localities as determined under this assessment.

In addition, it is the intent of the Conferees that each State provide for an equitable geographic distribution of monies provided under the block grant.

Federal funds provided under the block would have to supplement and increase the level of State, local and other non-Federal funds that would have been expended in the absence of the block grant funds for such programs and activities and may not supplant such expenditure.

The application and certification process under this block grant has been greatly streamlined. The Secretary is prohibited from prescribing the manner of compliance with the certification process. This prohibition is intended to avoid complex pre-award review by the Secretary. The Conferees do not, however, intend that this pro-

hibition preclude the Secretary from carrying out his duties to ensure that the allotments are spent in conformity with the law.

The Conference agreement requires States to prepare annual reports on its activities under the block grant. These reports would be in such form and contain such information as the Secretary determines to be necessary (A) to determine whether funds were expended as required by the block grants and consistent with the needs of the State; (B) to secure a description of the activities of the State; and (C) to secure a record of the purposes for which funds were spent, of the recipients of funds and the progress made toward achieving the purposes for which the block grant was awarded to the States. However, in determining the information which must be included in this report, the Secretary may not establish reporting requirements that are burdensome.

States are also required to establish the fiscal control and fund accounting procedures necessary to assure the proper disbursal of an accounting for Federal funds received under the block grants and to prepare, at least once a year, an independent audit of funds received. In so far as practical, this audit should be done in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. In addition, the Comptroller General is required to evaluate, from time to time, the expenditure by States of funds received, in order to assure that they are consistent with the provisions and requirements of the block grants.

The Conferees feel that these various features of the Preventive and Health Services Block Grant address the problems of inflexibility, lack of coordination, redundance and burdensome regulation which characterized some parts of the categorical grant system, but at the same time address genuine concerns over State accountability without detracting from the State's authority to allocate block grant funds. The various requirements specified for the block grant are meant to be definitive and are intended to establish explicit boundaries for the Federal role in these programs.

The bill also provides for withholding power for the Secretary. The Conferees intend that this authority be used by the Secretary to ensure that all expenditure by States and entities receiving funds from States are directed to the intended beneficiaries of the services programs and in accordance with the requirements of the part and certifications provided by the State. The Secretary could do so, however, only after adequate notice and an opportunity for a hearing conducted within the State and after the Secretary has conducted an investigation. The Secretary could not withhold funds from a State for a minor failure to comply with the requirements and certifications of the block grant and would have to respond in an expeditious manner to complaints of a substantial or serious nature that the State has failed to comply.

In addition, the Secretary is required to conduct in several States in each fiscal year investigations of the use of funds received by the States under the Preventive and Health Services Block Grant. The Comptroller General is also authorized to conduct such investigations. States would be required to make appropriate books, documents, papers, and records available for such investigations and to permit any reasonable request for examination, copying, or me-

chanical reproduction, on or off the premises, of such papers and records. However, the Secretary or Comptroller General could not request any information not readily available to the State or entity and could not make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

Finally, the Conference agreement provides for criminal penalties for false statements made with regard to services or items funded with the block grant funds.

II. PROVISIONS RELATING TO SOCIAL SECURITY (OASDI)

1. Elimination of the minimum benefit for all current and future beneficiaries

House bill.—Eliminates the minimum benefit for all present and future beneficiaries. The amount payable to individuals already receiving benefits based on the minimum primary insurance amount would be recomputed based on their actual earnings record and according to recomputation procedures to be prescribed in regulations issued by the Secretary of Health and Human Services (HHS). All benefits payable to new beneficiaries would be based on their actual earnings, with no minimum payment level, effective for benefits payable after November 1981 for newly eligible beneficiaries, and for all others (current beneficiaries) beginning with benefits payable March 1982. In addition, persons aged 60 to 64 who are entitled to a minimum benefit before December 1981 would become eligible for a special SSI benefit if they qualify under all SSI rules except that pertaining to age. The amount of the special SSI payment would be limited to the difference between the minimum benefit the individual was receiving (without regard for the earnings test) and the recalculated benefit. These SSI payments would not be adjusted for increases in the cost of living; nor would these 60- to 64-year-old persons become eligible for certain other benefits including state supplementation, food stamps, medicaid, or social services as a result of this provision.

Senate amendment.—Same as House provision, except that the provision would be effective for all benefits payable beginning in August 1981.

Conference agreement.—The conference agreement provides for the House effective date with regard to new benefits (payable after November 1981); and all other beneficiaries would be affected in benefits for February 1982 (payable March 3) and thereafter. The Social Security Administration is directed to notify in writing on or before December 3, 1981 all current recipients of the minimum benefit. The notice shall read as follows:

This is to inform you that as a result of the elimination of the minimum benefit; your benefit may be reduced to some degree beginning with your March check. To determine the extent of the reduction, if any, and your possible eligibility for SSI and other assistance programs you may contact your local social security office.

2. Restrictions on payment of lump-sum death benefits

House bill.—The House provision would eliminate the lump-sum death payment effective for deaths occurring after August, 1981 in cases where there is neither an eligible spouse nor an entitled

child. Under the proposal, only surviving spouses who were living with deceased worker or are eligible to receive monthly cash survivor benefits upon the worker's death would receive the lump-sum death payment. If there were no eligible spouse, the lump-sum death payment would be payable to any child of the deceased worker who was eligible to receive monthly cash benefits as a surviving child. If there were no surviving spouse and the no children of the worker eligible for monthly benefits, then no one one would be eligible to receive the lump-sum death payment.

Senate amendment.—The Senate amendment is identical to the House bill, except that it is effective with respect to deaths occurring after July 1981.

Conference agreement.—The Conference agreement adopts the restrictions on the payment of the lum-sum death benefit as passed by both the House and Senate. The provision is effective with respect to deaths occurring after August 1981.

3. Modification of month of initial entitlement for certain workers and their dependents.

House bill.—The House provision would provide that in the case of workers retiring at exact age 62 and in case of dependents (first claiming benefits at age 62) of retired workers, entitlements to benefits would begin with the first month throughout all of which the individual met all the requirements for eligibility. This change would not affect the disabled and their dependents who become entitled at the same time as the worker, although it would apply to dependents who came onto the benefit rolls at some time after the disabled worker becomes entitled. The provision would not affect entitlement to survivors' benefits, to reduced benefits for workers retiring after the month in which they attain age 62, to unreduced benefits in the month (and later months) that an otherwise entitled individual attains age 65, or to Medicare benefits. The provision is effective for months after August 1981.

Senate amendment.—No provision.

Conference agreement.—The conference agreement adopts the House provision.

4. Temporary extension of earnings limitations to include all persons under age 72

House bill.—The House provision would keep the exempt age under the earnings test at age 72 for 1982. Beginning in 1983, it would be lowered to age 70.

Senate amendment.—No provision.

Conference agreement.—The conference agreement adopts House provision.

5. Termination of mother's and father's benefits when youngest child attains age 16

House bill.—The House provision would end entitlement to benefits for the mother or father caring for a child or children reciving child's insurance benefits, when the youngest child reaches age 16 (rather than age 18, as under current law). The provision would not apply in the case of a parent caring for a disabled child aged 16 or over. The provision would be effective with respect to current beneficiaries only at the end of two years after the month of enactment,

but would be effective for parents becoming newly entitled in or after the second month after enactment. Benefits to the child or children in the family would not be affected. This provision is effective with respect to current beneficiaries two years after the month of enactment. It would be effective for parents becoming newly entitled in or after the second month after enactment.

Senate amendment.—No similar provision.

Conference agreements.—The conference agreement adopts the House provision.

6. Modification of rounding rules

House bill.—The House provision would provide for rounding benefit amounts down to the lower ten cents at each stage of computing benefits, except at the last step—the actual benefit amount payable per beneficiary. This would be rounded to the next lower dollar. For those beneficiaries electing supplementary medical insurance (SMI), the rounding would occur after the SMI premium was deducted from the OASDI benefit check. The provision applies to all beneficiaries, except for "transitionally" (Byrnes) and "uninsured" (Prouty) cases and applies to benefit amounts, including cost-of-living adjustments and benefit recomputations, for periods after August 1981.

Senate amendment.—The Senate amendment would provide that benefit amounts would be calculated to the nearest penny, with the final amount rounded to the next lower dollar. The provision applies to all beneficiaries, except for "transitionally" (Byrnes) and "uninsured" (Prouty) cases and applies to benefit amounts, including cost-of-living adjustments and benefit recomputations, for periods after June 1981.

Conference agreement.—The conference agreement adopts the House provision.

7. Cost reimbursement for provisions of earnings information

House bill.—The House provision would make clear that reimbursement of costs incurred by SSA in providing earnings information to employers seeking to comply with the Pension Reform Act of 1974 is not governed by the Freedom of Information Act or by the Privacy Act, which contain provisions limiting the extent to which the cost of furnishing information can be recovered, and would permit the Department to recover from the requesting party the full cost of retrieving and transmitting information for purposes of enabling pension plans to comply with the Pension Reform Act.

In addition, this provision would provide that the Department would have authority to recover the full cost of retrieving and transmitting any information requested for any other purpose not directly related to the administration of the program or programs under the Social Security Act. Changes made by this subsection are effective on date of enactment.

Senate amendment.—The Senate amendment is identical to the House-passed provision except that SSA is authorized to recover full costs only for information requests arising from requirements of the Pension Reform Act of 1974.

Conference agreement.—The conference agreement adopts the House provision.

8. Recency of work test for disability insurance

House bill.—No provision.

Senate amendment.—Would add an eligibility requirement for disability insurance benefits that an individual have 6 quarters of coverage during the 13 calendar quarters preceding the onset of disability in addition to the present law requirement of fully insured status and 20 quarters of coverage out of the last 40 quarters.

Conference agreement.—The Conference agreement adopts the House position with the understanding that this issue will be considered, along with the Administration's request for substituting a requirement of 30 quarters of coverage in the last 40 quarters the quarter requirement for 20 out of 40, in the social security financing bills pending before both Committees.

9. Modification of worker's compensation offset

House bill.—No provision.

Senate amendment.—Makes four modifications of the present worker's compensation offset. First, the offset provision would be expanded to include other disability benefits provided by Federal, State and local governments, except that needs-tested benefits, Veterans Administration disability benefits, and benefits based on public employment covered by social security would not be taken into account. Private insurance benefits also would not be taken into account. The amount of the reduction would be calculated as under the present worker's compensation offset provision. Second, the reduction in DI to take account of disability benefits provided under other Government programs would apply not only to workers under 62 and their families, but also to workers 62 through 64 and their families. Third, the reduction would be made beginning with the month during which the concurrent payments (Social Security disability and the other governmental disability payments) actually began. Fourth, the provision would amend existing law (which allows States to enact offsets so that Federal offset will not apply) February 18, 1981.

Conference agreement.—The conference adopts the Senate amendment with technical amendments by granting the waiver of the federal offset only in cases where the other public disability program began offsetting on or before ———.

The provision would be effective with respect to initial entitlements to disability benefits for individuals who become disabled after the sixth month preceding the month of ———.

10. Reimbursement of States for successful rehabilitation services

House bill.—Eliminates reimbursement from the OASI and DI trust funds to the state vocational rehabilitation agencies for rehabilitation services except in cases where the services have resulted in the beneficiary's performance of substantial gainful activity for a continuous period of 9 months. Such nine-month period could begin while the individual is under a vocational rehabilitation (VR) program and may also coincide with the trial work period and during the individual's waiting period for benefits. The services must be performed under a state plan for vocational rehabilitation services under title I of the Rehabilitation Act. In the case of any State which is unwilling to participate or which does have a plan which meets the requirements of the vocational Rehabilitation Act,

the Commissioner of Social Security may provide such services by agreement or contract with other public or private agencies, organizations, institutions, or individuals. The determination that the VR services contributed to the successful return of the individual to work and the determination of the costs to reimburse shall be made by the Commissioner of Social Security. Payments under this provision shall be made in advance or by way of reimbursement, with necessary adjustment for overpayments or under payments. The provision would be effective as to services rendered October 1, 1981 and subsequently.

Senate amendment.—Eliminate reimbursement from the trust funds in all cases.

Conference agreement.—The conference agreement adopts the House provision.

11. Elimination of benefits for post-secondary students.

House bill.—The House provision would eliminate new benefits for child beneficiaries 18 or older in post-secondary school and 19 or older in elementary or secondary school effective August 1982. However, students 18 or older who were entitled to a child's benefit in August 1981 and who began post-secondary school before May 1982 would be able to continue receiving benefits. The amount of their benefits, however, would not be adjusted for changes in the cost-of-living after August 1981. Further, beginning in August 1982, the amount of their benefits would be reduced each year by 25 percent of the August 1981 amount. Benefits would continue until the student turned 22, discontinued his education, or for some other reason ceased to qualify for benefits. In no case could benefits to post-secondary students 18 or older continue beyond July 1985.) In addition, beginning in 1982, no benefits would be payable to these post-secondary students during the summer months, defined as the months of May through August.

Senate amendment.—The Senate amendment is identical to the House provision.

Conference agreement.—The conference agreement adopts the House and the Senate provision.

AID TO FAMILIES WITH DEPENDENT CHILDREN; CHILD SUPPORT ENFORCEMENT

Aid to Families with Dependent Children

1. Disregards from earned income for AFDC

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

Current law provisions requiring States to disregard certain amounts of earned income for purposes of determining benefits in the AFDC program would be amended to standardize the work expense disregard at $75 per month for full time employment, cap the child care disregard at $160 per month, and change the order of the $30 plus one-third disregard.

States would be required to disregard the following amount of earnings, in the following order:

(a) Eligibility Determination—the first $75 of monthly earnings for full time employment (in lieu of itemized work expenses); and the cost of care for a child or incapacitated adult, up to $160 per child per month.

(b) *Benefit Calculation*—the first $75 of monthly earnings for full time employment; child care costs up to $160 per child per month; and $30 plus one-third of earnings not previously disregarded.

The $30 plus one-third disregard would only be allowed during the first 4 consecutive months in which a recipient has earnings in excess of the standard work expense and child care disregards. After 4 months, the benefit would be determined without the $30 plus one-third disregard for each month the family continues to receive AFDC and for 12 consecutive months after AFDC is terminated.

2. Determination of income and resources for AFDC

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

In determining eligibility for AFDC, States would be required to limit allowable resources to $1,000 (equity value) per family, excluding the home and one automobile. The value of the automobile would be limited by regulations.

In addition, States would be permitted to take into account the value of benefits received from food stamps or housing subsidies. This would be done by treating the value of the food stamp coupons or housing subsidy as income, up to the value for food or shelter that is included in the State payment standard.

3. Income limit for AFDC eligibility

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

Eligibility for AFDC would be limited to families with gross incomes at or below 150 percent of the State's standard of need.

4. Treatment of income in excess of the standard of need; lump sum payments

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

For purposes of AFDC, income received in a month must be considered available as income in the month it is received and also in future months. Thus, if sucl income exceeded the standard of need in the months of receipt, the family would be ineligible in that month. In addition, any amount of the income that exceeds the initial month's needs standard would be divided by the monthly needs standard, and the family would be ineligible for aid for the number of months resulting from that calculation.

5. Treatement of earned income advance amount under AFDC

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

In determining earned income for AFDC, the State must assume that an individual is receiving that earned income tax credit (EITC) advance payment that he or she is eligible to receive, regardless of

whether the person has applied for the advance payment (i.e., if the individual does not receive advance EITC payments, an amount equal to what he or she could get as advance payment is counted as earned income).

6. Income of stepparents living with dependent child

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

The income of a stepparent must be counted in determining eligibility and benefit amounts for AFDC applicants and recipients. (Countable income would include any amount which exceeds: (1) the first $75 of earned income (a smaller amount may be prescribed for less than full-time work); (2) the amount specified in the State's standard of need as the amount required by the stepparent to support himself and his dependents living in the same household; (3) amounts paid by the stepparent to dependents living outside the household; and (4) payments of alimony or child support to individuals not in the same household. The law would be amended to preclude prorating of shelter allowances with regard to persons to whom this provision applies.

7. Community work experience programs

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States would be authorized to operate community work experience programs which serve a useful public purpose, and to require AFDC recipients to participate in these programs as a condition of eligibility. These programs would have to meet appropriate standards for health and safety, and could not result in displacement of persons currently employed, or the filling of established unfilled vacancies. Provision would have to be made for payment of reasonably necessary work expenses incurred by participants. Participants would not be required to work in excess of the number of hours which, when multiplied by the greater of the Federal or the applicable State minimum wage, equals the sum of the amount of aid payable to the family. Persons exempt from WIN registration would also generally be exempt from participation in this program, except that parents caring for a child under 6 (but not under 3) could also be required to participate if child care is available.

8. Providing jobs as alternative to AFDC

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States would be permitted to use savings from reduced AFDC grant levels to make jobs available on a voluntary basis. Under this approach, recipients would be given a choice between taking a job or depending upon a lower AFDC grant than now exists. States implementing this provision could do so in addition to or as an alternative to the community work experience approach.

States would use the savings from the reduced AFDC grant levels to provide or underwrite job opportunities for AFDC eligibles. For example, States could pay nonprofit and governmental entities a subsidy to cover part of the wage costs of hiring AFDC eligibles. (This type of subsidy would also be available to proprietary as well as nonprofit child day care providers but only if taken in lieu

of the tax credit which is otherwise available.) Acceptance of any job offered as a part of this program would be entirely voluntary on the part of the individual involved. At State option, medicaid coverage could be continued for participants in subsidized employment under this amendment.

States would have flexibility to implement the amendment for particular areas within the State or for particular categories of recipients and would also have the flexibility to modify the rules for treatment of income so as to avoid situations which would undermine the proposal. For example, modifications might be needed to adjust for offsetting increases in food stamp entitlement or to limit or eliminate the earned income disregard as it applies to those who choose to continue receiving AFDC. (States would not have authority under the proposal to enlarge the disregards otherwise allowable under Federal law.)

If a State elected to utilize this provision, its costs would be contained within the overall level of welfare costs as they would otherwise exist. The total amount of Federal funding for regular AFDC payments and for subsidies provided to employers under the voluntary jobs program could not exceed the present level of estimated AFDC spending in the State (after enactment of the other AFDC changes in the bill).

9. Work incentive demonstration program

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States would be authorized to operate a 3-year work incentive demonstration program as an altrnative to the current WIN program. Not later than 60 days after enactment, the governor of a State wishing to conduct a demonstration would have to submit to the Secretary of HHS a letter of application expressing this intent. There would have to be an accompanying State program plan specifying (1) that the operating agency will be the State welfare agency, and (2) that required participation criteria will be the same (statewide) as are applied under the WIN program. However, the components of the program could be varied in different regions or political subdivisions of the State.

Participating States would be funded at a level equal to their 1981 WIN allocation augmented by any other Federal funding which may be available for establishing AFDC work programs in the State.

The purpose of the demonstration authority is to test the States' ability to develop alternatives to the current AFDC work requirements. Techniques to be used could include job training, job find clubs, grant diversion to either public or private employers, services contracts with State employment services, performance-based placement incentives, and others. A State's application would be deemed approved unless the Secretary notified the States within 45 days of application. An application could not be finally disapproved unless the Secretary determined that the State's program plan would be less effective than the WIN program.

10. Effect of participation in a strike on eligibility for AFDC

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

AFDC would not be payable to a family if a caretaker relative (mother or father) is, on the last day of the month, participating in a strike. If an individual in the family other than a caretaker relative is on strike, that individual's needs would not be included in determining the amount of the AFDC payment. In addition participation in a strike would not constitute good cause to leave or to refuse to seek or accept employment.

11. Age limit of dependent child

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

Eligibility would be limited to a child under age 18, or, at State option, under 19, but only if the child is a full-time student in a secondary or technical school and may reasonably be expected to complete the program before he reaches age 19.

12. Limitation on AFDC to pregnant women

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States would be prohibited from paying to pregnant women with no other children until the 6th month of pregnancy. However, a State could provide medicaid for AFDC-eligible pregnant women with no children from the determination of pregnancy.

13. Aid to families with dependent children by reason of unemployment of a parent.

Both the House bill and the Senate amendment included the following identical provisin which was agreed to by the conferees:

Eligibility for AFDC on the basis of a parent's unemployment (AFDC-UP) would be limited to those families in which the principal earner is unemployed. The principal earner would be the parent who earned more income during the 2 years preceding the application for benefits. The entire family would be ineligible for AFDC if the principal earner is not registered for work or training.

14. Work requirements for AFDC recipients

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

AFDC work requirements would apply to children age 16 and over unless they are in elementary, secondary, or vocational school (not college). Parents caring for a child under 6 would be exempt from work requirements only if they are providing care with only brief or infrequent absences from the child.

15. Retrospective budgeting and monthly reporting

House bill.—States would be required to adopt a retrospective accounting and monthly reporting system. A family's eligibility for benefits would be determined on the basis of income and other factors in the current month, but the amount of benefits would be determined on the basis of income and other circumstances in the previous month. For the first month of eligibility, however, both eligibility and benefit amount would be determined on the basis of income and circumstances in the current month.

States would have to require all recipients to provide monthly reports on income, family composition, resources, and other relevant

factors. However, the Secretary of HHS could allow a State to require less frequent reporting for specified classes of recipients if the State demonstrates that the administrative cost of monthly reporting for these recipients is not worthwhile.

Senate amendment.—The Senate amendment is the same as the House bill, except that it does not allow waiver by the Secretary of the monthly reporting requirement.

Conference agreement.—The conference agreement follows the House bill.

16. Prohibition against payment of aid in amounts below ten dollars

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States could not make AFDC payments in amounts less than $10 a month. Individuals denied a benefit as a result of this provision would be considered recipients for all other purposes, including medicaid eligibility.

17. Removal of limit on restricted payments in a State's AFDC program

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

The provision removes all restrictions on the number of cases in which vendor payments may be made by a State, and allows recipients to choose to have vendor payments made even though they could otherwise receive payments directly. There would not have to be a determination that the household cannot manage funds for those who elect to receive vendor payments.

18. Adjustment for incorrect payments

Both the House bill and the Senate amendment included the following identical provison which was agreed to by the conferees:

States would be required to take prompt action to correct both overpayments and underpayments. Current recipients could either repay the amount of an overpayment or have the amount of their AFDC payment reduced. The AFDC payment for any month in which overpayments are being recovered, together with the recipient's liquid resources and all income, would have to equal at least 90 percent of the payment that a family would receive if it had no other income. Payments correcting underpayments could not be considered as income and could not be considered as resources in the month of receipt or the next month.

19. Reduced Federal matching of state and local AFDC training costs

Both the House bill and the Senate amendment included the following identical provison which was agreed to by the conferees:

Federal matching for costs of training employees of State or local agencies administering AFDC would be reduced from 75 percent to 50 percent, effective with respect to expenditures made after September 30, 1981.

20. Eligibility of aliens for AFDC

House bill.—The House bill provides that, for the purposes of eligibility for AFDC, legally admitted aliens who apply for benefits for the first time after September 30, 1981 would be deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States. The eligibility of such aliens for AFDC would be contingent upon their obtaining the cooperation of their sponsors in providing necessary information to the State welfare agency to carry out this provision. The alien and the sponsor would be jointly and severally liable for repayment of any benefits incorrectly paid because of misinformation provided by the sponsor or because of his failure to report, and any such incorrect payments not paid would be withheld from any subsequent payments for which the alien or sponsor would otherwise be eligible under the Social Security Act.

A sponsor's income deemed to the alien would be considered unearned income and would result in a dollar-for-dollar reduction in the alien's AFDC benefit. The amount to be deemed would be equal to the total monthly amount of earned and unearned income of the sponsor and the sponsor's spouse reduced by an amount equal to the sum of (1) the lesser of 20 percent of earned income, or $175; (2) the standard of need of the State for a family of the same size and composition as the sponsor and other individuals claimed by him as dependent (for Federal income tax purposes) who are living in the same household as the sponsor; (3) any amounts paid by the sponsor to individuals not living in the household who are claimed as dependents (for Federal income tax purposes); and (4) any payments of alimony or child support with respect to individuals not living in the household.

The amount of resources deemed to the alien would be equal to the amount of the resources of the sponsor and spouse as determined under the State's AFDC resource rules, reduced by $1,500.

Under the provision, an alien applying for AFDC would be required to make available to the State agency any documentation concerning his income or resources or those of his sponsor (if he has one) which he provided in support of his immigration application. The Secretary of Health and Human Services would be authorized to obtain copies of any such documentation from other agencies (i.e., State Department or Immigration and Naturalization Service), and to provide the information, upon request, to a State agency. The Secretary of HHS would also be required to enter into cooperative arrangements with the State Department and the Justice Department to assure that the persons sponsoring the immigration of aliens are informed at the time of sponsorship that, if the alien applies for AFDC, the sponsorship affidavit will be made available to the public assistance agency and the sponsor may be required to provide further information concerning his income and assets in connection with the alien's application for assistance.

Under the provision, the income and resources of a sponsor which are deemed to an alien in a family would not be considered in determining the need of other, non-sponsored family members (e.g. a child born after entry into the U.S.) except to the extent such income or resources are actually available to them.

The provision would not apply to any alien who is (1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act; (2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c)(1) of such Act; (3) paroled into the United States as a refugee under section 212(d)(5) of such Act; (4) granted political asylum by the Attorney General under Section 208 of such Act; or (5) a Cuban or Haitian entrant as defeined in section 501(e) of the Refugee Education Assistance Act of 1980.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

21. Effective date

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

Except as otherwise specified, the effective date of all AFDC provisions is October 1, 1981, unless the State agency demonstrates that it cannot, by reason of State law, comply with the requirement. In such cases the Secretary of HHS may prescribe an effective date no later than the first month which begins after the close of the first session of the State's legislature ending on or after October 1, 1981.

Child Support Enforcement

1. Collection of past-due child and spousal support from Federal tax refunds

House bill.—The authority which is provided in current law for collection by the Internal Revenue Service of amounts which represent delinquent child support payments would be amplified in the following way. Upon receiving notice from a State child support agency that an individual owes past-due support which has been assigned to the State as a condition of AFDC eligibility, the Secretary of Treasury would be required to withhold from any tax refunds due that individual an amount equal to any past-due support. The withheld amount would be sent to the State agency, together with notice of the taxpayer's current address. The Secretary of Treasury would be required to issue regulations, approved by the Secretary of HHS, prescribing the timing and contents of notices by the States. States would be required to reimburse the Federal Government for the cost of the procedure. "Past-due support" is defined as the amount of a delinquency determined under court order or an order of an administrative process established under State law for support and maintenance of a child, or of a child and the parent with whom the child is living.

Senate amendment.—The Senate amendment is the same, except for technical differences.

Conference agreement.—The conference agreement follows the Senate amendment.

2. Collection of support for certain adults

House bill.—The authority which exists in present law to enforce obligations for support of a child is expanded to include, in addition, authority to enforce obligations for support of the parent with whom the child is living. Authority would also be added to use IRS collection procedures to collect support obligations with respect to the parent with whom the child is living and who is receiving AFDC. (Present law limits use of the IRS to collection of child support.) IRS collection procedures could also be used for the collection of obligations established by administrative process under State law. (Present law limits their use to obligations established by court order.)

Senate amendment.—The Senate amendment is the same as the House bill, except that, generally, spousal support may only be enforced in the case of parents who are receiving AFDC.

Conference agreement.—The conference agreement follows the House bill (except for technical differences).

3. Cost of collection and other services for non-AFDC families

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

States would be required to retain a fee equal to 10 percent of the support collected on behalf of a non-AFDC family. This 10 percent fee would be charged against the absent parent and added to the amount of the collection.

4. Child support obligations not discharged by bankruptcy

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

A provision of the Social Security Act, previously in effect, would be reinstated, declaring that a child support obligation assigned to a State as a condition of AFDC eligibility is not discharged in bankruptcy. The provision would be effective upon enactment.

5. Child support intercept of unemployment benefits

House bill.—The House bill would require child support enforcement agencies to determine on a periodic basis whether any individuals who owe child support obligations enforceable by the agency are receiving unemployment compensation or trade adjustment assistance benefits (under chapter 2 of the Trade Act of 1974). The child support enforcement agency would be required to collect any outstanding child support obligations owed by an individual receiving unemployment benefits—through an agreement with the individual or, in the absence thereof, the legal processes of the State—by having a portion of the individual's employment benefits withheld and forwarded to the State child support agency. As a condition for receipt of Federal administrative grants under title III of the Social Security Act, agencies charged with the administration of the State unemployment compensation laws would be required to withhold and forward to the child support agency the amount of the individual's unemployment benefits specified in the agreement or otherwise required to be withheld as a result of legal process. An agreement to withhold less than the full amount owed would not excuse the individual's legal obligation. Amounts withheld would be forwarded to the child support agency. The provision

has an effective date of Oct. 1, 1981, except that State plan requirements would not have to be met before Oct. 1, 1982.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

6. Effective date

Both the House bill and the Senate amendment included the following identical provision which was agreed to by the conferees:

Except as otherwise specified, the effective date of all child support enforcement provisions is October 1, 1981, unless the State agency demonstrates that it cannot, by reason of State law, comply with the requirement. In such cases the Secretary of HHS may prescribe an effective date no later than the first month which begins after the close of the first session of the State's legislature ending on or after October 1, 1981.

SUPPLEMENTAL SECURITY INCOME BENEFITS

1. Retrospective accounting

House bill.—The House bill provides generally for changing the present quarterly prospective method of accounting for SSI to a monthly retrospective system. The bill requires that the SSI *benefit amount,* in general, be determined on the basis of the prior month's income and circumstances, i.e. retrospectively. *Eligibility* would be determined on the basis of income and other circumstances of the current month, i.e. prospectively. However, both eligibility and benefit amount would be determined on a current (prospective) basis (1) for the month in which an application is filed, or (2) for any month in which a significant change occurs (as determined by the Secretary) in the recipient's living arrangements.

The bill also provides authority for the Secretary to waive the requirement that the SSI benefit standard be reduced to $25 in the case of individuals in certain medical institutions in order to promote the individual's removal from the institution. In addition, the Secretary would be allowed to make transitional payments for the period immediately following the effective date of the amendment. The amendment is effective with respect to months after the first calendar quarter which ends more than five months after the month of enactment.

Senate amendment.—The Senate amendment is the same as the House bill, except that it does not give the Secretary authority to determine eligibility and benefits on a current basis in the case of recipients who experience a significant change in living arrangements, and includes minor differences in the provisions giving the Secretary authority to grant waivers and to make transitional payments.

Conference agreement.—The conference agreement follows the Senate amendment.

2. Eligibility of SSI recipients for food stamps

House bill.—The House bill modifies current Federal SSI food stamp "cash-out" requirements so that a State could continue to "cash-out" food stamps for SSI recipients so long as it (1) had previ-

ously increased its supplementary benefits to include the bonus value of food stamps, (2) was providing a cash payment in lieu of food stamps as of December 1980, and (3) continued to pass-through the Federal cost-of-living increases as required under section 1618 of current SSI law.

The provision affects SSI recipients in Massachusetts, Wisconsin and California. The effective date is July 1, 1981. (A bill providing this authority on a temporary basis, to Aug. 1, 1981, was signed into law on June 30 as Public Law 97-118.)

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

3. Payment to States with respect to certain unnegotiated checks

House bill.—The House bill would limit the negotiability of SSI checks to 180 days from date of issuance. The amount from such unnegotiated checks which represent a State supplementation payment would be returned or credited to the State. The bill would require the Social Security Administraiton, to the maximum extent feasible, to determine the whereabouts and eligibility of those individuals whose benefit checks were not negotiated within the 180 day limit.

Senate amendment.—No provision.

Conference agreement.—Under the conference agreement, the negotiability of SSI checks would continue to be unlimited. However, the Secretary of the Treasury would be required, on a monthly basis, to notify the Secretary of HHS of all benefit checks which have not been presented for payment within 180 days after the date of issuance. As provided in the House bill, the Secretary of HHS would be required to return (or credit) amounts which represent State supplementary payments to the State. In addition, the Social Security Administration would be required to attempt to determine the whereabouts and eligibility of those recipients whose checks were not negotiated within 180 days of issuance. The provision is effective October 1, 1981.

4. Funding of rehabilitation services for SSI recipients

House bill.—No provision.

Senate amendment.—The Senate amendment would repeal the authority under SSI for the Secretary to reimburse State vocational rehabilitation agencies for services provided to blind and disabled recipients of the SSI program.

Conference agreement.—The conferees agreed to allow the Secretary to reimburse State vocational rehabilitation agencies only for services provided to SSI recipients who subsequently perform substantial gainful activity which lasts for a continuous period of 9 months, under the same conditions as are applicable with respect to reimbursement for services to social security beneficiaries (as provided in this Act). The provision is effective October 1, 1981.

5. Special interim cost-of-living increase in SSI benefits

House bill.—The House bill provides that any temporary cost-of-living increase in title II (OASDI) benefits made in 1982 by the Reconciliation Act would result in the same percentage increase in benefits under title XVI (SSI). (This provision is contingent on a

Committee-approved provision to change title II cost-of-living increases which was deleted by the Latta floor amendment. Without the title II amendment it is inoperative.)

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

SOCIAL SERVICES BLOCK GRANT

House bill.—Effective October 1, 1981, the House bill would repeal the following programs and consolidate activities and funding in a new freestanding social services block grant: title XX social services and training; Child Abuse Prevention and Treatment and Adoption Reform Acts; Runaway and Homeless Youth Act; and titles I, II, III, IV, VI, VII, and IX of the Community Services Act. The bill would make no change from present law in the title IV-B child welfare services and title IV-E foster care and adoption assistance programs.

The bill would authorize (subject to appropriations) $3.123 billion for the new block grant in fiscal year 1982 and each of the three succeeding fiscal years. This amount represents a 16 percent decrease from the CBO 1982 baseline estimate for the consolidated programs. Funds would be allotted to States on the basis of State allotments or obligations in 1981 under programs repealed by the Act, and under foster care maintenance payments authorized by title IV of the Social Security Act, and the special social services provisions for Puerto Rico, Guam and the Virgin Islands under section 1108(a) of the Social Security Act. There would be no State matching requirement under the block grant program. States would be allowed to transfer up to 10 percent of their social services block grant allotment for use under block grants for health services, health promotion and disease prevention, and energy assistance. (In 1982 and 1983 each State could transfer only an amount equal to its share of $255 million to the energy assistance block grant.) Funds could be used to provide foster care maintenance payments and adoption assistance without limitation as to the amount.

The current, separate title XX training program would be repealed. Funds provided under the new block grant could be used to pay all training costs, including training provided through tax-exempt nonprofit organizations, or by individuals with social services expertise. Restrictions on use of funds would be similar to those in present law, including restrictions which generally prohibit funding of medical or remedial care; the purchase, construction, or major modification of land, buildings, or equipment; educational services which are generally available; and others.

Services would be authorized to be provided to individuals and families, particularly those most in need, but would not have to be targeted toward any particular group.

Before States could use their allotment in any fiscal year, they would be required to report on their intended use of funds. The report would describe services to be provided and the populations to be served and would be available to the general public for review and comment. States could revise the plan throughout the year.

States would be required to prepare reports at least every 2 years, in order to provide a description of activities, to secure a record of purposes for which funds were spent, and to determine the extent to which funds were spent consistently with the States' annual report on planned activities. States would also be required to audit their expenditures at least every 2 years. Audits would be submitted to the State legislature and the Secretary. States would either repay amounts found not to have been spent in accordance with the Act, or the Secretary could offset these amounts against future payments.

The Secretary of HHS would be authorized, either directly or through grants and contracts, to provide training related to the purposes of the Act, and to conduct ongoing activities of national or regional significance similar to those authorized under present law.

Senate amendment.—Effective October 1, 1981, the Senate amendment would repeal the following programs and consolidate activities and funding in a new social services block grant, authorized under title XX of the Social Security Act: title XX social services and training; title IV–B child welfare services; and title IV–E foster care and adoption assistance.

The Senate amendment would premanently authorize (on an entitlement basis) $2.639 billion annually for the new social services block grant. This amount represents a 25 percent decrease from fiscal year 1981 budget authority for the consolidated programs.

States would be required to implement foster care, adoption assistance and child welfare services programs in accord with requirements of present law. These include provisions for individual case plans, case review systems, services programs designed to assist children in returning to their homes, and per-placement preventive services. If a State failed to meet the requirements, its title XX block grant funding would be reduced. The reduction would be equal to the same proportion of its block grant allocation for the year in question as the funds it received in 1981 for AFDC foster care, adoption assistance and child welfare services were of the combined amount of funds it received for those programs and title XX social services.

Specifically, the requirements that would have to be met are: (1) Beginning October 1, 1982, States would have to have in effect a foster care and adoption assistance program that meets the specifications of the current title IV–E program. (2) In addition, beginning in 1985, States would have to meet all the foster care protection requirements (including pre-placement preventive services) that would be required under the present IV–B child welfare services law if the full $266 million authorized for the program were actually appropriated.

States would be required to spend for foster care, adoption assistance and child welfare services at least 75 percent of the amount they spent for these programs in 1981. And, foster care maintenance payments could not represent a greater proportion of a State's total title XX block grant expenditures than such payments in 1981 represented of the State's total allotment under the foster care, child welfare services, adoption assistance and social services programs.

State allotments would be based on State allotments or obligations in 1981 under the existing title XX, title IV–B, title IV–E,

title IV–A and section 1108 (a) of the Social Security Act. There would be no State matching requirement for the new block grant program.

As under the House bill, the current, separate title XX training program would be repealed, and authority would be provided for funding training under the new block grant. Unlike the House bill, the Senate amendment would not authorize training provided by tax-exempt nonprofit organizations or individuals with social services expertise. Like the House bill, the Senate amendment would allow inter-block transfer of funds.

The Senate amendment generally would prohibit funding for the same kinds of activities as the House bill (which are similar to present law). It would require that day care provided with block grant funds meet applicable State and local standards. It would also authorize States to make grants to qualified day care providers to pay wages of welfare recipients hired as day care workers, as provided in current law.

Requirements for reports and audits would be similar to those in the House bill, except that reports would also have to include information relating to the State's programs for foster care and adoption assistance, and would have to be transmitted to the Secretary.

Conference agreement.—The conference agreement provides for amending the existing title XX of the Social Security Act to establish a new block grant to States for social services. Under the conference agreement, which generally follows the Senate amendment, the new block grant would not incorporate the child welfare services, foster care, and adoption assistance programs.

The new title XX would provide that each State be entitled to an annual allotment for operating social services programs aimed at meeting the following goals:

(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;

(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency;

(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitation, or reuniting families;

(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and

(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

The amount of the allotment for each State would be its share of a national total of $2.4 billion in 1982, $2.45 billion in 1983, $2.5 billion in 1984, $2.6 billion in 1985, and $2.7 billion in 1986 and years thereafter. Allotments would be based on State population. (The share allotment for Puerto Rico, Guam and the Virgin Islands and the other Mariana Islands would be based on their share of the amounts alloted to them in 1981 under title XX, reduced to reflect the new funding levels.)

As under the Senate amendment, the program would operate as an appropriated entitlement in which the Federal Government is obligated to appropriate an amount sufficient to meet all qualified State expenditures up to the amount of the State allotment. As

under both the House bill and the Senate amendment, there would be no non-Federal matching requirement, and States would be able to claim funds within their allotments for expenditures in the fiscal year to which the allotment applies or in the following year. Unexpended funds would not be reallotted. However, each State would be authorized to transfer up to 10 percent of its annual title XX allotment for expenditures under health, or energy assistance block grant programs.

Expenditures for services could include expenditures for administration (including planning and evaluation); personnel training and retraining directly related to provision of those services (including both short- and long-term training at educational institutions through grants to institutions or by direct financial assistance to students); and conferences or workshops, and training or retraining through grants to nonprofit organizations or to individuals with social services expertise.

As under both the House bill and the Senate amendment, before expending funds under the new title XX program for any fiscal year, States would be required to develop and make public a report on how the funds are to be used, including information about the types of activities to be funded and the characteristics of the individuals who will be serviced. This report would be revised throughout the year, as necessary. As under the Senate amendment, the report would have to be submitted to the Secretary.

As under both the House bill and the Senate amendment, each State would determine the types of services to be provided, and, unlike present law, there would be no requirement that a specific portion of the funds be used for welfare recipients, or that services be limited to families with incomes below 115 percent of State median income.

Title XX funds could not be used for the following specified purposes:

(1) the purchase or improvement of land or buildings;

(2) room and board cost (except for certain short-term or emergency shelter);

(3) wage payments other than payments under the provisions for subsidizing the costs of hiring welfare recipients in child care jobs;

(4) medical care (except where it is an integral part of another service) other than initial detoxification of an alcoholic or drug dependent individual, family planning services, or rehabilitation services;

(5) institutional services provided by the institution (except for rehabilitation services or services for alcoholic or drug dependent individuals);

(6) educational services which are generally available; and

(7) services in the form of cash payments.

As in both the House bill and the Senate amendment, the Secretary of HHS would have authority to waive the prohibition against medical services and against the purchase or improvement of land or buildings where he finds extraordinary circumstances justify such uses.

As under the Senate amendment, child care provided with title XX funds would have to meet applicable State and local laws. The conference agreement follows the Senate amendment in continuing the provisions in present law which authorize use of social services

funds to make grants to qualified day care providers to pay wages (with specified restrictions) of welfare recipients hired as day care workers.

As under the House bill and the Senate amendment, States would be required at least every 2 years to prepare and make available reports showing in detail how the program funds were expended and demonstrating that such expenditures meet the requirements of title XX. The report would also have to be transmitted to the Secretary, as required in the Senate amendment. In addition, States would be required to audit their programs at least every 2 years (with the audit being conducted by an entity which does not receive title XX funds). Any amounts expended which did not comply with title XX requirements would be recovered by the Federal Government.

As under the Senate amendment, the Department of Health and Human Services would be required to conduct a study to identify ways States could evaluate their programs. The study would consider Federal incentive payments as an option, and would be submitted to Congress within a year of enactment.

TITLE XXIV

Provisions Relating to Unemployment Compensation

1. elimination of national trigger under the extended benefits program

Present law.—Under current law, up to 13 additional weeks of extended unemployment compensation, beyond the usual maximum of 26 weeks of State benefits, are payable to unemployed individuals who exhaust their State benefits during periods of high unemployment. Extended benefits are paid in all States, regardless of State unemployment rates, when the national insured unemployment rate (IUR—the percentage of workers covered by the State unemployment compensation program who are currently claiming State or extended benefits) reaches 4.5 percent. Fifty percent of the costs of extended benefits are paid from proceeds of the Federal unemployment tax and fifty percent are paid from State unemployment taxes.

House bill.—Repeals the national trigger, effective for weeks beginning after the date of enactment.

Senate amendment.—Same as House bill, except effective July 1, 1981.

Conference agreement.—The conference agreement adopts the House provision.

2. modification of optional state trigger level for extended benefits

Present law.—Under current law, extended benefits are payable in any State in which the insured unemployment rate (IUR) is at least 4 percent and, in addition, is 20 percent higher than the average of the same period in the previous years. When the "20 percent factor" is not met, a State, at its option may provide extended benefits when the State IUR reaches 5 percent, regardless of the IUR in previous years.

House bill.—No similar provision.

Senate amendment.—The Senate provision raises from 4 percent (plus 20 percent factor) to 5 percent (plus 20 percent factor) the IUR at which extended benefits would be payable in any State, and also raises the optional trigger rate from 5 percent to 6 percent. The provision is effective for weeks beginning after September 25, 1982.

Conference agreement.—The conference agreement adopts the Senate amendment.

3. exclude extended benefits claimants in determining rate of insured unemployment for extended benefit trigger calculation

Present law.—Under current law, the insured unemployment rate (IUR)—used to determine unemployment levels for the purpose of triggering "on" extended unemployment compensation benefits—is calculated by dividing the average weekly number of individuals filing claims for regular State unemployment benefits or Federal/State extended benefits by the average monthly covered employment for the first four of the most recent six calendar quarters.

House bill.—The House provision excludes extended benefit claimants from the calculation of the IUR for extended benefits trigger purposes. Only individuals filing claims for regular State unemployment compensation would be included in calculating extended benefits trigger rates. The provision is effective July 1, 1981.

Senate amendment.—Same as House bill, except effective on date of enactment.

Conference agreement.—The conference agreement adopts the Senate amendment.

4. require 20 weeks of work or equivalent wages for extended benefits

Present law.—Under present law, all States require an individual to have worked for a certain length of time or to have earned a specified amount of wages in the base year to be eligible for State unemployment compensation benefits. There are no additional work or wage requirements for receipt of extended benefits. A person who exhausts State benefits during a period when extended benefits are payable, and who continues to meet all State and Federal requirements, is eligible to receive extended benefits for one-half of the number of weeks (up to a maximum of 13 weeks) he or she received State benefits.

House bill.—No similar provision.

Senate amendment.—The Senate provision requires extended benefits claimants to have worked at least 20 weeks, or have an equivalent amount of wages, during the base period in order to receive extended benefits. A State could use one of the following measures of equivalent wages:

Wages equal to 40 times the claimant's weekly benefit amount; or

Wages equal to 1.50 times the claimant's wages earned in the quarter with the highest wages.

The provision is effective for weeks beginning after September 25, 1982.

Conference agreement: The conference agreement adopts the Senate amendment.

5. limitations on unemployment benefits paid to ex-servicemen

Present law.—Under current law, Federally funded unemployment benefits are provided to former military personnel upon their separation from military service if they meet the eligibility requirements of the State in which they apply for unemployment compensation. The military service of an individual qualifies as wages or employment in the determination of eligibility for unemployment benefits only if the person has (1) served 365 or more continuous days of active duty (unless separated after a shorter period because of a service-incurred injury or disability) and (2) was separated under other than dishonorable conditions. Leaving the military at the end of a term of enlistment, even if the person was eligible to reenlist, is not considered a "voluntary quit" under state law in the determination of eligibility for unemployment benefits.

House bill.—The House provision (1) increases from 365 to 730 days the length of continuous military service a person must have in order for such service to qualify as employment for unemployment compensation purposes; (2) requires a four-week waiting period between the week in which an individual is separated from the military and the week in which he or she first becomes entitled to compensation; and (3) limits an eligible ex-servicemember's total entitlement (including extended benefits) to no more than 13 times the weekly benefit amount payable. The provision would be effective with regard to new claims filed on or after October 1, 1981.

Senate amendment.—The Senate provision disqualifies for unemployment compensation those ex-servicemembers who leave the military at the end of a term of enlistment and are eligible to reenlist, effective July 1, 1981.

Conference agreement.—The conference agreement adopts the Senate amendment with modification in the effective date so that provision applies to individuals who leave the military on or after July 1981, but only to weeks of unemployment compensation payable after date of enactment.

7. Certification of State unemployment laws

Present law: Under current law, a payroll tax of 3.4 percent on the first $6,000 of wages paid to employees is levied on employers (Federal Unemployment Tax Act, FUTA). If a State's unemployment compensation program is certified by the Secretary of Labor as meeting certain requirements of Federal law, employers in that State receive a 2.7 percent credit against the 3.4 percent FUTA tax.

House bill: No similar provision.

Senate amendment: The Senate amendment (1) prohibits certification by the Secretary of Labor of any State which has failed to amend its unemployment compensation law so that it contains provisions required to be included by this bill, including provisions of the Federal-State Extended Unemployment Compensation Act; (2) delays for 1 year the effective dates of Senate amendment sections 741 and 742 for any State whose legislature does not meet at least 25 calendar days after the date of enactment and before September 25, 1981; (3) delays for 1 year the effective dates of Senate amendment sections 743 and 744 for any State whose legislature does not meet at least 25 calendar days after the date of enactment and before September 25, 1982.

Conference Agreement: The Conference agreement adopts the Senate amendment.

6. Federal unemployment compensation loans to States (sec. 746 of the Senate amendment)

Present law: Under present law, the costs of regular State benefits and one-half of the costs of extended benefits are funded by State unemployment payroll taxes. If State unemployment tax revenues exceed benefit costs, the surplus amounts are retained by the State in an interest bearing account in the Federal Unemployment Trust Fund. If the benefit costs exceed revenues, States draw down their accumulated surpluses from prior years. If those surpluses become depleted, States are allowed to receive interest-free Federal advances from an account which is funded through the Federal unemployment payroll tax (FUTA). If there are insufficient Federal unemployment tax revenues for this purpose, additional funds are obtained as interest-free advances from the general fund of the Treasury.

The standard *net* Federal unemployment tax, which is paid by employers in all States, is currently 0.7 percent on the first $6,000 paid annually to each employee. The *gross* FUTA tax rate is 3.4 percent; however, employers are eligible for a 2.7 percent credit against this Federal tax (unless, as explained below, the State is subject to a reduction in this credit because of outstanding Federal advances). The 2.7 percent credit reduces the *gross* tax rate from 3.4 to the *net* tax rate of 0.7 percent.

States with an outstanding advance from the Federal Government must repay it fully within two to three years. (Technically, it must be repaid by November 10 of the calendar year in which the second consecutive January 1 passes with the State still having an outstanding advance. This means that a State may have from 22 months and 10 days to 34 months and 10 days to repay the advance, depending on when it obtained the outstanding advance.)

If a State does not fully repay an advance within the 22 to 34 month period, employers in the State become subject to a reduction in the 2.7 percent credit against the 3.4 percent Federal tax. This credit reduction is applied to the calendar year beginning with the second consecutive January 1 in which the advance has been outstanding and continues until the advance is repaid fully. The increased tax resulting from the credit reduction is payable no later than January 31 of the next calendar year. The proceeds from the increased tax are used to reduce the principal of the State's outstanding loan.

House bill: No similar provision.

The Senate bill would cap the credit reduction under certain conditions and would charge interest on advances under certain conditions:

I. Cap on Credit Reduction.

A. *Limit on Credit Reduction.* Employers in States otherwise subject to a credit reduction and meeting certain solvency requirements would be eligible for a cap on the credit reduction equal to the higher of: (1) the credit reduction in effect during the previous year; or (2) 0.6 percent. An additional 0.3 percent would be added to the cap on the credit reduction, allowing the credit reduction to in-

crease to 0.9 percent, if a State has an insured unemployment rate for the taxable year that does not exceed 80 percent of the average insured unemployment rate for the last two years.

B. *Solvency Requirements.* On November 10 of the tax year of the solvency requirements are met if the Secretary of Labor determines that: (1) the State's outstanding advances on the immediately preceding September 30 are not greater than on the second preceding September 30; (2) the State did not lower its unemployment tax effort in the fiscal year ending on the immediately preceding September 30; and (3) the State did not take action that caused a net decrease in the solvency of its unemployment compensation program.

C. *Consecutive January Firsts Ending before October 1, 1984.* If a State qualifies for the cap in any year, but failes to qualify for the cap in later years, the "capped" years will not be counted in determining the level of credit reduction for those later years. This rule applies only to years prior to 1984.

D. *Waiver of Solvency Requirement B. (1) During Periods of Recession.* The solvency requirement dealing with net, new borrowing may be waived at State option if a State meets the following conditions in the fiscal year ending with the immediately peceding September 30: (1) the State average total unemployment rate for the preceding 3 taxable years is at least 110 percent of the national average, and (2) the State average employer tax rate on total wages was at least 150 percent of the national average employer tax rate on total wages for such fiscal year. No State may use this waiver for more than two consecutive years.

E. *Repayment Requirements.* Any State that used the waiver on the net new borrowing provision (B) (1) must repay the additional advances received under this waiver within 24 months of the beginning of the fiscal year in which it did not meet the waiver requirements. Any State that does not repay the new advances under these conditions will be ineligible for the cap on the credit reduction for the tax year in which the 24-month period ends and will be ineligible until the tax year starting in the Federal fiscal year in which the repayment of this new borrowing has been made.

Effective dates: Applies to taxable years 1981 through 1983.

II. *Interest on Advances.* Any advance made to a State unemployment program after May 5, 1981, and before October 1, 1984, would be charged a 10 percent interest rate to be compounded quarterly. Such interest would be waived, however, if: (1) the State repays the advance fully within the Federal fiscal year in which it was made; and (2) the Secretary of Labor certifies by September 1 of the fiscal year in which the advance was made that the State unemployment account has sufficient reserves and income to pay 6 months worth of benefits after the beginning of the next fiscal year. The State may not pay the interest charged directly or indirectly from its State unemployment account. If it does, the Secretary of Labor would not certify the State unemployment compensation law, meaning that employers in that State would be subject to the full Federal payroll tax. Interest on an advance made and not repaid within a fiscal year would be due by the end of that year. Interest on prior borrowing would be required to be paid before the last day of the quarter in which it is due.

Any repayments by the State (including repayments resulting from a credit reduction) would be first applied to reducing the oldest loan balance. (An exception to this rule would apply in the case of trust fund payments which entirely repay borrowing within the fiscal year so as to meet the interest waiver requirement. Interest on advances before October 1, 1981, would be due after October 1, 1981, on a date that the Secretary of Treasury deems appropriate.

Effective May 6, 1981, through September 30, 1984.

Conference Agreement: The conferees agreed to the following.

1. Limit on Federal Tax Credit Reduction

Effective October 1, 1981, through December 31, 1987, in States that meet the solvency requirements described below, reductions in the Federal tax credit resulting from outstanding Federal loans would be limited to 0.6 percent or, if higher, the level that was in effect in the year prior to the year the State qualifies for the limitation. The years in which a State meets the requirements, and therefore qualifies for a limitation in the credit reduction, would not count in determining the level of the increase in the *net* Federal tax in subsequent years in which the State does not meet the solvency requirements.

In order to qualify for the limitation on the credit reduction for tax years 1981 and 1982, a State would have to meet the conditions of (A) and (B) described below. In subsequent years a State must meet the conditions of (A), (B), (C) and (D) described below.

(A) no State action was taken during the 12-month period ending on September 30 of the such taxable year in question (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a reduction in such State's unemployment tax effort (as defined by the Secretary of Labor in regulations);

(B) no State action was taken during the 12-month period ending on September 30 of the taxable year (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a net decrease in the solvency of the State unemployment compensation system (as defined by the Secretary of Labor in regulations);

(C) the estimated average unemployment tax rate in the State for the year in question (total unemployment taxes paid by State employers in the calendar year divided by total wages of employers subject to State unemployment taxes) is equal to or greater than the average of the ratio of benefit expenditures (minus reimbursable benefits) to total wages of employers subject to State unemployment taxes for the last 5 calendar years. (For purposes of this requirement, for tax years 1981–1983, all Federal unemployment taxes in excess of the standard amount (currently 0.7 percent)—using the Federal tax rate the State would pay if it qualifies for the limit on the tax credit reduction—would be added to all State unemployment taxes in determining the average tax rate in the State. For tax year 1984, only the amount of Federal unemployment taxes in excess of the standard 0.7 percent plus 0.6 percent would be added to State unemployment taxes. Beginning with tax year 1985, only State taxes would be counted. For tax years 1981–1983, in making the determination of benefit expenditures for the

previous 5 years, only expenditures for regular State benefits would be counted for all years up through 1981. For tax year 1984, the State share of extended benefits payments would be added to State benefit expenditures for 1981; and, for tax year 1985, extended benefit payments would be added to State benefit expenditures for 1980 and 1981. For all years beginning with 1982, benefit expenditures would include payments for regular State benefits, extended benefits and interest charges on Federal loans); and

(D) the amount of the State's outstanding loans on September 30 of the tax year in question was not greater than the amount of outstanding loans for the State on September 30 of the third preceding taxable year (or, for purposes of applying this subparagraph to the taxable year 1983, September 30, 1981).

This means that, for tax year 1983, the State's loan balance as of September 30, 1983 will be compared to, and must not be greater than, the State's loan balance as of September 30, 1981. For tax year 1984, the loan balance as of September 30, 1984, must not be higher than the balance on September 30, 1981. For tax year 1985, the loan balance on September 30, 1985, must not be higher than the balance on September 30, 1982. For tax year 1986, the loan balance on September 30, 1986, must not be higher than the balance on September 30, 1983. And, for tax year 1987, the loan balance on September 30, 1987, must not be higher than the balance on September 30, 1984.

The conferees are concerned that the provisions of the conference agreement be approached by the States with a good faith effort to restore solvency and not be manipulated as a means of evading the difficult measures that must be taken to put the unemployment program on a sound footing. Consideration must be given to the need for benefit constraint and not simply for tax increases. It would be clearly inconsistent with the intent of the agreement if States were to use the need for increased taxes to meet the benefit cost ratio test as an occasion for unjustified benefit increases or if they were to meet the requirement of not increasing their loan balance by continually reborrowing the reductions in loan balance which result from the reduced Federal tax credits.

2. Interest on Federal Unemployment Compensation Loans to States

Interest would be charged on unemployment loans to States received between April 1, 1982 and December 31, 1987. The rate of interest charged in any year would be the same rate as that paid by the Federal government on balances in State unemployment trust funds for the quarter ending December 31 of the preceding year, but no higher than 10 percent per annum.

A State would *not* have to pay interest on a loan that is repaid by September 30 of the calendar year in which the advance was received, if the State receives no new advances during the period remaining in the calendar year following the repayment. If a State does receive additional loans during the period remaining in a calendar year after such a repayment, interest would be charged on the repaid loan from the date it was received until the date it was repaid.

Interest would be payable on the last day of the fiscal year in which the loan is received. The payment of interest on loans received in the last (5) five months of any fiscal year could be delayed

until the last day of the following fiscal year; however, interest at the rate specified above would be charged against the amount of interest for which payment was delayed. A State could *not* pay interest on Federal loans out of its unemployment trust fund.

3. Non-FUTA Repayments

Any non-FUTA State repayments (not including the lump sum repayment in lieu of the credit reduction in Item #2 above) would be credited first to the most recent loans received by the State that have not triggered a credit reduction.

4. Expiration Date

The limitation on credit reduction provisions are effective for the period October 1, 1981 through December 31, 1987. However, years in which a State qualified for a limitation on the credit reduction while these provisions were in effect would not count in determining the level of the credit reduction in years after the expiration of these provisions.

Interest would be charged on loans received during the period April 1, 1982 through December 31, 1987. States would be required to pay any interest that accrued during and after April 1, 1982 on loans received during this period.

7. Certification of State unemployment laws (sec. 747 of the Senate amendment)

Present law.—Under current law, a payroll tax of 3.4 percent on the first $6,000 of wages paid to employees is levied on employers (Federal Unemployment Tax Act, FUTA). If a State's unemployment compensation program is certified by the Secretary of Labor as meeting certain requirements of Federal law, employers in that State receive a 2.7 percent credit against the 3.4 percent FUTA tax.

House bill.—No similar provision.

Senate amendment.—Prohibits certification by the Secretary of Labor of any State which has failed to amend its unemployment compensation law so that it contains provisions required to be included by this bill, including provisions of the Federal-State Extended Unemployment Compensation Act.

Delays for 1 year the effective dates of Senate amendment sections 741 and 742 for any State whose legislature does not meet at least 25 calendar days after the date of enactment and before September 25, 1981.

Delays for 1 year the effective dates of Senate amendment sections 743 and 744 for any State whose legislature does not meet at least 25 calendar days after the date of enactment and before September 25, 1982.

Conference Agreement.—House recedes with conforming amendments.

XXV STATEMENT OF MANAGERS ON H.R. 3982

I. TRADE ADJUSTMENT ASSISTANCE (TAA) PROVISIONS

A. Workers

1. Group certification criteria

House bill.—The House bill, as compared to present law, tightens the causal link between increased imports and worker layoffs and declining firm production/sales from the current "contributed importantly" standard to a standard of "substantial cause." Substantial cause is defined as "a cause which is important and not less than any other cause." The change is effective for petitions for certification filed on or after date of enactment.

Senate amendment.—The Senate amendment contains the same provision as the House bill, and also adds—

a. An additional requirement for certification, that the Secretary of Labor find "there is a substantial probability that the resulting lower level of employment at the firm or subdivision will be permanent."

b. A statutory stipulation that the "substantial cause" standard be administered as it is under the import relief provisions of the Trade Act of 1974.

The changes in the Senate amendment would be effective for petitions for certification filed on or after 180 days after the date of enactment.

Conference agreement.—The conference agreement includes the House provisions without the two Senate additions, (a) and (b), above. The conferees agree that the "substantial cause" standard, as defined in the bill, is to be administered insofar as possible, in the same way as the standard for relief under section 201 of the Trade Act of 1974, as described on page 267 of House Report 97-158 Volume III. The conference agreement includes the Senate provision on the effective date of the group certification criterion change.

2. Benefit information to workers

House bill.—As compared to present law, the House bill broadens the Secretary of Labor's information responsibilities to include workers in any industry; expands information required to include program benefits and services, applications procedures, and filing dates, and to informing State vocational education and other agencies and employers of certifications issued and possible training needs; requires the Secretary to make every effort to insure and review State agency compliance with provision of program payments and services. This provision would be effective upon date of enactment.

Senate amendment.—The Senate amendment makes no change in present law.

Conference agreement.—The conference agreement follows the House bill.

3. Qualifying requirements for individual workers

House bill.—The House bill:

a. Limits a worker to payment of trade readjustment allowances (TRA) for any weeks of unemployment which begin more than 60 days after the date the petition was filed;

b. Liberalizes the 26-week pre-layoff employment requirement by:

1. Permitting qualifying weeks to be with more than one firm or subdivision if in adversely affected employment covered by a certification;

2. Including a week of employment in which separation occurs as a qualifying week; and

3. Counting as qualifying weeks up to 6 weeks of employer-authorized leave for vacation, sickness, injury, maternity, military, or to serve as a full-time union representative; or up to 13 weeks of disability covered by workmen's compensation; or up to 13 weeks combining disability and not more than 6 weeks of employer-authorized or union leave.

c. Adds requirements that a worker:

1. Have received credit for any waiting week period required under applicable State or Federal unemployment insurance (UI) law;

2. Have exhausted all rights to UI in his most recent benefit period under State or Federal law;

3. Not be entitled to payment of any further UI or waiting period credit under State or Federal law;

4. Comply with the "suitable work" test under the Federal-State Extended Unemployment Compensation Act of 1970 (EB); and

5. Cannot collect another round of TRA benefits under the same certification after exhaustion of a subsequent UI benefit period.

d. Authorizes the Secretary of Labor to require all workers in a labor market area, after their first 8 weeks of TRA eligibility, to accept training for a period no longer than their remaining TRA benefits or to extend job search beyond the area if unemployment is high, suitable employment opportunities are not available, and training facilities are available in that area, and if training is approved as an alternative choice for the individual worker.

The House provisions are effective for TRA payable for weeks of unemployment beginning after September 30, 1981.

Senate Amendment.—The Senate amendment contains the same provisions in substance as described in paragraphs 3(a) and (c) above of the House bill. The Senate amendment makes no changes in present law with respect to the 26 weeks pre-layoff employment requirement described in paragraph 3(b) above of the House bill. The Senate amendment contains a provision with respect to labor market areas similar to the provision of the House bill described in paragraph 3(d) above except that the authority applies to categories of workers as the Secretary deems appropriate rather than to all workers in an area under specified circumstances, workers may be required to extend job search irrespective of whether the choice of training is available, training length is not linked to the remaining period of TRA eligibility, and "labor market area" is not defined.

Conference Agreement.—The conference agreement follows the House bill with respect to labor market area job search and training requirements as described in paragrpah 3(d) above. The agreement limits the liberalization of the 26-weeks pre-layoff employment requirement by including as qualifying weeks only the week of employment in which the separation occurs, and up to 3 weeks

of employer-authorized leave for vacation, sickness, injury, maternity, military, or to serve as full-time union representative; or up to 7 weeks of disability covered by workmen's compensation; or up to 7 weeks combining disability and not more than 3 weeks of employer-authorized or union leave. The effective date of these provisions is for weeks of unemployment beginning after September 30, 1981.

4. Time Limit on TRA Benefits.

House Bill.—The House bill provides that if UI extended benefits are not triggered "on" until a worker exhausts UI and collects one or more weeks of TRA, the number of weeks he was entitled to TRA will be deducted from the number of weeks of EB to which he would otherwise be entitled, so as to limit combined UI and TRA benefits to a maximum 52 weeks.

Senate Amendment.—The Senate amendment contains no similar provision.

Conference Agreement.—The conference agreement follows the House bill, with a technical amendment concerning the relationship of the provision to State laws.

5. Training and Other Employment Services.

House Bill.—The House bill provides that the Secretary of Labor, through cooperating State agencies, must develop an employability plan (jointly with worker, State vocational education agency, CETA prime sponsors, other appropriate agencies and employers) for any unemployed or underemployed certified worker who registers with the State Job Service or equivalent agency and for whom no suitable employment is available. It also provides that the Secretary of Labor must provide and pay training costs if he approves training after determining (a) no suitable employment is available, (b) the worker would benefit from training, (c) there is reasonable expectation of employment after training, (d) approved training is available, and (e) the worker is qualified. The Secretary would be required to submit quarterly reports to Congress of training expenditures and demand.

In addition, the House bill provides that—

a. When institutional training is appropriate, priority shall be given to public rather than private area vocational schools if public schools are as effective and efficient.

b. The employability plan, employment services, and training are available even if EB "suitable work" is available. The worker cannot be disqualified or ineligible for UI or TAA benefits by leaving lower-level or minimum wage EB-required work for training.

c. Supplemental assistance for "reasonable" expenses will be increased not to exceed actual per diem expenses or 50 percent of Federal per diem allowances for subsistence and the Federal Travel Regulations mileage rate.

These provisions are effective for registrations for services and applications for allowances made or filed after September 30, 1981.

Senate Amendment.—The Senate amendment contains no similar provisions.

Conference Agreement.—The conference agreement follows the House bill on training costs and the provisions of the House bill described in paragraph (b) and (c) above on the availability of employ-

ment services (except an employability plan) and qualification for UI and TAA benefits after leaving EB-required work for training, and on supplemental assistance for reasonable expenses. The conference agreement does not include the House provisions on employability plans or a priority for public over private area vocational schools. The provisions included in the conference agreement are effective as provided in the House bill, with a technical amendment to permit changes in State laws necessary to implement the provisions of the House bill described in paragraph (b) above.

6. Job Search and Relocation Allowances.

House Bill.—As compared to present law, the House bill:

a. Increases the job search allowance from 80 to 90 percent of necessary expenses and the maximum to $600. It increases the relocation allowance limit from 80 to 90 percent of reasonable and necessary expenses and maximum lump sum payments to $600. It also increases the job search and relocation allowance expenses to the same levels as supplemental assistance above.

b. Provides that certified workers partially laid off may file applications for job search or relocation allowances, but must be totally separated to receive benefits. Job search applications must be filed within 1 year after certification or total layoff, whichever is later, on 6 months after completing training. Relocation applications must be filed within 14 months after certification or total layoff, whichever is later, or 6 months after training completion.

The House provisions are effective for applications filed after September 30, 1981.

Senate Amendment.—The Senate amendment increases the job search allowance to $600 and increases the relocation allowance from 80 percent to 90 percent of reasoanble and necessary expenses and the maximum lump sum payment to $600. It makes no change in present law with respect to filing of applications.

Conference Agreement.—The conference agreement follows the House bill.

7. Authorization of Appropriations.

House Bill.—The House bill authorizes such sums as may be necessary, except that no less than $112 million for each of fiscal years 1982 and 1983 is authorized for training, job search, and relocation allowances and 5 percent for program evaluation.

Senate Amendment.—The Senate amendment authorizes such sums as may be necessary for each of fiscal years 1982, 1983, and 1984.

Conference Agreement.—The conference agreement follows the Senate amendment with respect to the amount authorized and the House bill providing authorization for each of fiscal years 1982 and 1983.

B. FIRMS

8. Certification Criteria.

House Bill.—Compared to current law, the House bill tightens the causal link between increased imports and worker layoffs and declines in a firm's production or sales from the current standard

of "contributed importantly" to "substantial cause," defined as "a cause which is important and not less than any other cause."

Senate Amendment.—The Senate amendment makes no change in present law.

Conference Amendment.—The conference agreement does not include the House provision.

9. Technical Assistance.

House Bill.—The House bill contains amendments to the Trade Act to provide authorities to continue current practice under Economic Development Administration law for technical assistance to firms in preparing petitions for certification; for furnishing technical assistance through grants of up to 100 percent of administrative expenses to intermediary organizations such as regional Trade Adjustment Assistance Centers; and for industry-wide technical assistance of up to $2 million annually per industry. These provisions are effective upon date of enactment.

Senate Amendment.—The Senate amendment contains no similar provisions.

Conference Agreement.—The conference agreement follows the House bill.

10. Financial Assistance.

House Bill.—As compared to present law, the House bill:

a. Provides the Secretary of Commerce greater latitude in determining whether to guarantee loans by prohibiting guarantees if he determines that the interest rate is excessive when compared with other loans bearing Federal guarantees and subject to similar terms and conditions, or if the interest on the loan is exempt from Federal income taxation;

b. Provides maximum maturities of 10 years on direct loans or loan guarantess to supply working capital, and 25 years or the useful life of the fixed assets, whichever period is shorter, on direct loans or loan guarantees for other purposes;

c. Adds provisions to make participation in loan guarantees more attractive to private lenders;

d. Limits the principal amount of loans made or guaranteed to the amount provided in advance in appropriation Acts;

e. Authorizes the Secretary of Commerce to treat information received in connection with an application for financial assistance as privileged or confidential; and

f. Requires direct loans or guarantees to acquire or develop capital assets ordinarily to be secured by a first lien and to be fully amortized.

These provisions are effective upon date of enactment.

Senate Amendment.—The Senate amendment makes no changes in present law.

Conference Agreement.—The conference agreement follows the House bill.

C. COMMUNITIES

11. Community adjustment assistance program

House bill.—The House bill repeals the program as of date of enactment.

Senate amendment.—The Senate amendment makes no change in present law.

Conference agreement.—The conference agreement does not include the House provision.

D. TERMINATION DATE

12. Termination date of adjustment assistance programs

House bill.—The House bill reauthorizes the worker and firm programs through September 30, 1983.

Senate amendment.—The Senate amendment reauthorizes the worker program through September 30, 1984; the firm and community programs would terminate by operation of law on September 30, 1982.

Conference agreement.—The conference agreement follows the House provision of September 30, 1983 as the termination date for the worker and firm programs. The community program would expire on September 30, 1982 under the terms of current law.

TITLE XXVI

PROPOSED CONFERENCE AGREEMENT

1. *Program:* Low-Income Assistance program is authorized under a free standing act—Low-Income Home Energy Assistance Act of 1911.

2. *Authorized Appropriation:* $1.875 billion authorized for each year for fiscal years 1982, 1983, and 1984.

3. *Allotments to States:* Each State would receive the same proportion of Federal funds appropriated that it received of funds allocated for fiscal 1981. The territories would receive funds from a set-aside of no more than 0.5 percent and no less than 0.1 percent of the funds appropriated. A State may transfer up to 10 percent of its allotment under these programs for any fiscal year for its use for such fiscal year under other provisions of Federal law providing block grants for support of activities under the Community Services block grant; support of activities under Title XX of the Social Security Act; support of health service grant programs under the Public Health Service Act and under Title V of the Social Security Act, or any combination of these activities.

4. *Federal Share of Program Costs:* Programs would be 100 percent federally financed. The Federal share of State administrative costs would be limited to 10 percent of a State's allotment.

5. *Reallocation and Carry-Over of Unused Funds:* The Secretary is empowered to reallocate funds that he determines, by September 1 of any fiscal year, will not be used in that fiscal year. In this event, the Secretary would be required to provide 30 days' notice to the State, which would have the opportunity to request to retain 25 percent of that fiscal year's State allotment. In the event that any remaining funds are returned to the Secretary under this provision, such funds shall be added to allotment to the States for the next fiscal year.

6. *Funding for Indians:* Indian tribes would be permitted to receive direct funding if (1) the Secretary receives a request from an Indian tribe for such direct funding and (2) determines that the

tribe would be better served by direct funding. If he or she determines there is no tribal organization serving the individual, the Secretary may designate another entity to serve that individual. The tribal organization or other appropriate entity receiving the funds for the Indian tribe would have to submit a plan meeting the requirements set by the Secretary. The Indian tribe would receive the same proportion of a State's allotment as its proportion of all eligible households in a State.

7. *Eligibility:* Householders may receive assistance under this Act if they are eligible for assistance under Aid to Families with Dependent Children, Supplemental Security Income, Food Stamps, Veterans' and Survivors' Pensions; or have incomes which do not exceed the greater of 50 percent of the poverty level of the State or 60 percent of State median income. SSI recipients would not automatically qualify for Federal funds if they live in an institution receiving Medicaid or in shared households resulting in reduced benefits or who are child recipients at home.

8. *Payments to SSI Recipients:* At the option of the State, the Federal Government would be able to make direct payments to qualified SSI recipients.

9. *Income Eligibility Verification:* State may use income verification procedure used in AFDC, Title XX, the Community Services block grant, under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of enactment of this Act or other income assistance or service programs.

10. *Regulations and Requirements:* States would be required to submit an application for funds to the Secretary. As a part of the annual application, the chief executive officer of the State would be required to make certain assurances, and include a plan detailing how these assurances would be carried out. He also could not prescribe the manner in which the States comply with the assurances made by the chief executive officer.

11. *State and Local Administration:* To the extent it is necessary to designate local administrative agencies in order to carry out the purposes of the program States would be required to give special consideration in the designation of local administrative agencies to any local public or private nonprofit agency which is or has been receiving Federal funds under any low-income energy assistance or weatherization program on the date of this program's enactment; except that the State must first determine that the agency meets program and fiscal requirements set by the State. If there is no such agency because of a change in programs for the economically disadvantaged, the State would be required to give special consideration to any successor agency which is operated in essentially the same manner.

12. *Benefits for Home Energy:* States may make payments directly to eligible households, or to home energy suppliers on behalf of eligible households. If States choose to pay home energy suppliers directly the suppliers would be required 1. to notify participating households of the amount of assistance paid on their behalf; 2. not to discriminate; and 3. to charge the eligible households the difference between the amount of the assistance and the actual cost of home energy.

13. *Weatherization:* Not more than 15 percent of the funds available to each State may be used for low cost residential weatherization or other energy related home repair. Low-cost energy assistance should not be deemed to be unduly restrictive as to dollar amounts per household, but should not provide full cost of extensive weatherization.

14. *Energy Crisis Intervention:* States would be required to reserve a reasonable amount, based on data from prior years for energy crisis intervention.

15. *Priority for Assistance:* In a manner consistent with the efficient and timely payment of benefits, the State is to provide the highest level of assistance to households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size.

16. *Renters.* The State is to provide assurances that owners and renters will be treated equitably.

17. *Public Participation:* States must provide for public participation in development of the State plan.

The State plan submitted to the Secretary must be made available for public inspection within the State in such a manner as will facilitate review of and comment on the plan. After the expiration of the first fiscal year in which a State receives funds under this program, the State would not be allowed to receive further funds unless the State legislature conducts public hearings on the proposed use and distribution of the funds.

The Conferees expect that the Governor will fully inform the legislative branch of the State of the elements of the State plan, and shall assist and encourage the legislature to conduct independent oversight hearings into the operation of the program at the State level.

18. *Opportunity for Hearing:* States must provide an opportunity for a fair administrative hearing to individuals whose claim for assistance is denied or is not acted upon with reasonable promptness.

19. *Coordination With Other Federal Programs:* States would be required to coordinate their activities under the Low Income Home Energy Assistance program with similar and related programs administered by the Federal Government and States. This includes low-income energy-related programs under the Community Services block grant program; the SSI, AFDC and Title XX Social Services programs under the Social Security Act; the weatherization assistance program under the Energy Conservation and Production Act; or other provisions of law which carry out programs which were administered under the Economic Opportunity Act of 1964 before the date of enactment of this Act.

20. *Outreach:* States would be required to conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or handicapped individuals, or both, are made aware of the assistance available under this program, and any energy-related similar assistance available under the Community Services block grant programs or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act.

21. *Financial Controls and Withholding:* The State must provide that fiscal control and fund accounting procedures will be established to assure proper dispersal of and accounting for Federal

funds paid to the State. The Secretary is authorized to withhold funds from States he determines to be in violation of the provisions of the program. Before withholding funds the Secretary would be required to give "reasonable" notice and an opportunity for a hearing within the State.

In addition, under the conference agreement a State would be required to prepare an audit at least once a year of expenditures under this program. These audits would have to be conducted by an entity independent of any agency administering activities under the program and in accordance with generally accepted accounting principles. The State's chief executive officer would be required to submit this audit to the State legislature and the Secretary within 30 days of their completion, States would be required to repay amounts found not to have been spent in accordance with the Act, or the Secretary may offset these amounts against future payments. The Secretary shall, upon determining a pattern of complaints within a State, conduct an investigation of the State's use of funds under this program. The Comptroller General would be required to evaluate State expenditures periodically to assure that expenditures are consistent with the provisions of the Act and to determine the effectiveness of States in accomplishing the purposes of the Act.

22. *Waivers:* Whenever the Secretary determines that a waiver of any requirement related to the assurances required of the chief executive officer is necessary to assist in promoting the objectives of the program, the Secretary may waive such requirement to the extent and for the period the Secretary finds necessary.

23. *Tax Credits:* States may use Federal funds to provide tax credits to energy suppliers who supply home energy to low-income households at reduced rates. Credits may not exceed the lost revenue caused by the reduced rates.

24. *Federal Administration:* The Secretary of Health and Human Services, after consultation with the Secretary of Energy, shall provide for the collection of certain data. This includes: information concerning home energy consumption; the cost and type of funds used; the type of fuel used by various income groups; the number and income levels of households assisted by the low-income Home Energy Assistance Act; and any other information which the Secretary determines to be reasonably necessary to carry out the provisions of the program. The Secretary is to submit an annual report to the Congress containing a summary of the data collected.

25. *Disregard of Income:* Assistance provided under the program is not to be considered as income for any other purpose under State and Federal law.

26. *Nondiscrimination:* No person could be discriminated against on the basis of race, color, national origin, or sex, or handicapping condition. The Secretary is given authority to investigate and take appropriate action in cases of noncompliance.

27. *Limitation on the Use of Grants for Construction:* Grant funds may not be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low cost residential weatherization or other energy-related home repairs) of any building or other facility.

Solely for consideration of title I of the House bill (except that portion of section 1015 entitled "International

Programs, Public Law 480", and the 9th, 14th, 15th, 16th and 17th paragraphs of such section 1015), and title I (except parts D and G and section 142) of the Senate amendment.

From the Committee on Agriculture

E DE LA GARZA,

THOMAS S. FOLEY,

ED JONES,

GEORGE E. BROWN, Jr. (except for sections 1015, 1021, 1027, and 1029 of the House bill and section 112 of the Senate amendment),

DAVID R. BOWEN (except for sections 1001–14 of the House bill and sections 151–169 of the Senate amendment),

FREDERICK RICHMOND,

CHARLES ROSE (only for sections 1027 and 1029 of the House bill and section 112 of the Senate amendment),

JIM WEAVER (only for section 1015 of the House bill),

TOM HARKIN (only for sections 1001–14 and 1021 of the House bill and sections 151–169 of the Senate amendment),

BILL WAMPLER,

PAUL FINDLEY (except for section 1015 of the House bill and sections 131–33 of the Senate amendment),

JAMES M. JEFFORDS (except for sections 1023–6, 1027, and 1029 of the House bill and sections 111 and 112 of the Senate amendment),

TOM HAGEDORN (except for sections 1001–14 and 1015 of the House bill and sections 151–169 of the Senate amendment),

WILLIAM M. THOMAS (only for sections 1015, 1023–6, and 1029 of the House bill and sections 111 and 131–33 of the Senate amendment),

LARRY J. HOPKINS (only for sections 1027 and 1029 of the House bill and section 112 of the Senate amendment),

E. THOMAS COLEMAN (only for sections 1001–14 of the House

bill and sections 151–169 of the Senate amendment),
RON MARLENEE (only for section 1015 of the House bill and sections 511–13 and 516–19 of the Senate amendment),
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S.I. HAYAKAWA,
DICK LUGAR,
THAO COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
Managers on the Part of the Senate.

Solely for the consideration of that portion of section 1015 entitled "International programs, Public Law 480" and title VII, sections 7001(12), 7002(10), and 7003(9) of the House bill, and title I, part D, of the Senate amendment.

From the Committee on Agriculture:
E. DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr. (except for the section 1015 provision),
DAVID R. BOWEN,
FREDERICK RICHMOND,
JIM WEAVER (for the section 1015 provision only),
BILL WAMPLER,
JAMES JEFFORDS,
TOM HAGEDORN (except for the section 1015 provision),
WILLIAM M. THOMAS,
RON MARLENEE (for the section 1015 provision only).
From the Committee on foreign Affairs:
CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
DANTE B. FASCELL,
BEN ROSENTHAL,
LEE H. HAMILTON,
JONATHAN BINGHAM,
WM. BROOMFIELD,
ED DERWINSKI,
PAUL FINDLEY,
LARRY WINN, Jr.,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,

S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
EDWARD ZORINSKY,
Managers on the Part of the Senate.

Solely for consideration of the 14th through the 17th paragraphs in section 1015, and section 8002, of the House bill, and title V, subtitle B, part 1 of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
DAVID R. BOWEN,
FREDERICK RICHMOND,
JIM WEAVER,
BILL WAMPLER,
PAUL FINDLEY (except for section 1015 of the House bill),
JAMES M. JEFFORDS,
WILLIAM M. THOMAS (for section 1015 of the House bill only),
RON MARLENEE.
From the Committee on Interior and Insular Affairs (for title V, subtitle B, part 1 of the Senate amendment and section 8002 only):
MO UDALL,
PHIL BURTON,
ROBERT W. KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUAL TUJAN, Jr.,
DON YOUNG,
ROBERT J. LAGOMARSINO
DAN MARRIOTT,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY.
From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK HATFIELD,

MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 8007 of the House bill and title VI, subtitle B, part B, of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FREDERICK RICHMOND,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.

From the Committee on Interior and Insular Affairs (for title V, subtitle B, part 1 of the Senate amendment and for section 8002 only):
MO UDALL,
PHIL BURTON,
ROBERT W. KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN, Jr.,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,

DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title V, section 5112 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS A. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FRED RICHMOND
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PATRICK LEAHY,
Managers on the Part of the Senate.

Solely for consideration of section 15452 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN Jr.,
FRED RICHMOND,
TOM HARKIN,
BILLY WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
E. THOMAS.

From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,

GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY.
From the Committee on Finance:
ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
RUSSELL B. LONG,
HARRY F. BYRD, Jr.,
Managers on the Part of the Senate.

Solely for consideration of section 1117(e) of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
GEORGE E. BROWN, Jr.,
DAVID R. BOWEN,
FRED RICHMOND,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, subtitle B, part 2, and section 142, of the Senate amendment.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS S. FOLEY,
ED JONES,
DAVID R. BOWEN,

FRED RICHMOND,
JIM WEAVER,
BILL WAMPLER,
PAUL FINDLEY,
JAMES M. JEFFORDS,
RON MARLENEE.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
TIM WIRTH,
PHILIP R. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,

Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON.

From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY,

Managers on the Part of the Senate.

Solely for consideration of the 9th paragraph of section 1015 of the House bill.

From the Committee on Agriculture:
E DE LA GARZA,
THOMAS L. FOLEY,
ED JONES,
DAVID R. BOWEN,
FRED RICHMOND,
JIM WEAVER,
BILL WAMPLER,
JAMES M. JEFFORDS,
WILLIAM M. THOMAS,
RON MARLENEE,

Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title II of the House bill and title II of the Senate amendment.

From the Committee on Armed Services:
MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD C. WHITE,
BILL NICHOLS,
JACK BRINKLEY,
WILLIAM L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
DONALD J. MITCHELL,
Managers on the Part of the House.

From the Committee on Armed Services:
JOHN TOWER,
GORDON J. HUMPHREY,
ROGER W. JEPSEN,
J. J. EXON,
CARL LEVIN,
Managers on the Part of the Senate.

Solely for consideration of title III, subtitle A (except sections 3110(d) and 3301(g)), section 3676, and subtitle C of House bill, and title III, subtitles A and C of the Senate amendment.

From the Committee on Banking, Finance and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART MCKINNEY,
THOMAS B. EVANS, Jr.,
Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:
JAKE GARN,
JOHN HEINZ,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

Solely for consideration of section 3110(d) and title VI, subtitle B of the House bill.

From the Committee on Banking, Finance and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART MCKINNEY,
TOM EVANS,
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO.
From the Committee on Energy and Commerce:
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 3301(g) of the House bill and title V, subtitle E of the Senate amendment.

From the Committee on Banking, Finance, and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
CHALMERS P. WYLIE,
STEWART B. MCKINNEY,
TOM EVANS,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of title III, subtitle B (except section 3676) of the House bill.

From the Committee on Banking, Finance, and Urban Affairs:
FERNAND J. ST GERMAIN,
HENRY S. REUSS,
HENRY GONZALEZ,
JOE MINISH,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
J. W. STANTON,
STEWART B. MCKINNEY,
TOM EVANS,
Managers on the Part of the House.

From the Committee on Foreign Relations:
CHARLES H. PERCY,
CHARLES MCC. MATHIAS, JR.,
NANCY LANDON KASSEBAUM,
CLAIBORNE PELL,
Managers of the Part of the Senate.

Solely for consideration of title IV of the House bill and section 904 of the Senate amendment.

From the Committee on the District of Columbia:
RONALD V. DELLUMS,
WALTER E. FAUNTROY,
ROMANO L. MAZZOLI,
MICKEY LELAND,

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WILL H. GRAY,
MERVYN M. DYMALLY,
STEWART B. MCKINNEY,
STAN PARRIS,
TOM BLILEY,
MARJORIE S. HOLT,
Managers on the Part of the House.

From the Committee on Governmental Affairs:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON
DAVID PRYOR,
Managers on the Part of the Senate.

Solely for consideration of title V, section 5001, subtitles A and B (except sections 5112, 5130, 5131, and 5133), subtitle C, chapter 1, subchapters B and C (except section 5397), subtitle C. chapter 1, subchapter E, and subtitle C, chapter 2, subchapter B of the House bill, and title XI, section 1101–8(16) through (19), part B (except section 1117(e)), and parts C, D, F, and G (except sections 1137 and 1163 and subparts 2 and 3 of part D) of the Senate amendment.

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Area A: (1) sections 5101, 5104, 5105, 5109, 5113, 5114, 5117, 5120, 5121, 5122, 5124, 5125, 5126, 5132, 5140, 5143, and 5211(2)–5211(12) of the House bill; (2) title V, subtitle C, chapter 1, subchapter B of the House bill; (3) title V, subtitle C, chapter 1, subchapter E of the House bill; (4) sections 1111, 1112, 1113, 1115, 1116, 1117(a), 1117(i), 1117(j), 1119, and 1120–1 of the Senate amendment; and (5) title XI, part C of the Senate amendment.

Area B: title V, subtitle C, chapter 1, subchapter (c) (except section 5397) of the House bill.

Area C: (1) sections 5103, 5106, 5107, 5108, 5110, 5115, 5116, 5118, 5119, 5123,5128, 5135, 5139, 5140, 5142, 5144, 5211(1), 5211(13), 5211(14), and 5211(17)–(21) of the House bill; (2) sections 1117(g) and 1131–1 of the Senate amendment; (3) title XI, part D, subparts 3 through 5 of the Senate amendment; (4) sections 1152 of the Senate amendment; and (5) title XI, part G (except section 1163) of the Senate amendment.

Area D: (1) sections 5102, 5108, 5111, 5127, 5129, 5134, 5136, 5137, 5138, 5211(15), and 5211(16) of the House bill; (2) title V, subtitle C, chpater 2, subchapter B of the House bill; and (3) sections 1117(b)–(f), (except 1117(e)) 1118, and 1120 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
AUGUSTUS F. HAWKINS, (solely for area C),

WILLIAM D. FORD (solely for areas A and D),
PHIL BURTON (solely for area B),
WILLIAM CLAY (solely for area C),
MARIO BIAGGI (solely for area C),
IKE ANDREWS (solely for areas A and C),
PAUL SIMON (solely for area D),
GEO. MILLER (solely for areas A and B),
AUSTIN J. MURPHY (solely for areas B and C),
TED WEISS (solely for area D),
BALTASAR CORRADA (solely for area A),
PETER PEYSER (solely for area D),
PAT WILLIAMS (solely for area B),
WILLIAM R. RATCHFORD (solely for area B),
DENNIS ECKART (solely for area D),
JOHN M. ASHBROOK (for all areas except B),
JOHN N. ERLENBORN (solely for areas A and D),
JAMES M. JEFFORDS (solely for areas A and C),
WILLIAM F. GOODLING (solely for area A),
E. THOMAS COLEMAN (solely for area D),
ARLEN ERDAHL (solely for area C),
THOMAS E. PETRI (solely for area C),
LAWRENCE J. DENARDIS (solely for area D),

Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
CLAIBORNE PELL,
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,

Managers on the Part of the Senate.

Solely for consideration of title V, subtitle C, chapter 2, subchapter A of the House bill and title I, part G of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
GEO. MILLER,
BALTASAR CORRADA,
JOHN M. ASHBROOK,
BILL GOODLING,
JAMES M. JEFFORDS,
LARRY E. CRAIG,
Managers on the Part of the House.

From the Committee on Agriculture, Nuirition, and Forestry:
JESSE HELMS,
S. I. HAYAKAWA,
RICHARD G. LUGAR,
THAD COCHRAN,
WALTER D. HUDDLESTON,
PAT LEAHY,
EDWARD ZORINSKY,
Managers on the Part of the Senate.

Solely for consideration of title V, sections 5114 and 5133, and of the House bill and title X, section 1002 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
IKE ANDREWS,
JOHN M. ASHBROOK,
THOMAS E. PETRI,
BALTASAR CORRADA,
PAT WILLIAMS,
HAROLD WASHINGTON,
For all provisions except section 5114:
E. THOMAS, COLEMAN,
WENDELL BAILEY,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES MC C. MATHIAS, Jr.,
PAUL LAXALT,
J. R. BIDEN, Jr.,
DENNIS D. DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of section 1104–5(a)(2) and (b)(9) of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
PHIL BURTON,
JOSEPH M. GAYDOS,
GEORGE MILLER,
RAY KOGOVSEK,
From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH L. DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH.
From the Committee on Labor and Human Resources:
CALIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, subtitle C, chapter 1, subchapters A and D; title XV, subtitle C, chapters 4 and 5 of the House bill and title VII, part I;. title XI, part D, subparts 2 and 3 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
IKE ANDREWS,
BALTASAR CORRADA,
PAT WILLIAMS,
JOHN M. ASHBROOK.
For title V, subtitle C, chapter 1, subchapter A and title XV, subtitle C, chapter 5 of the House bill and title VII, part I and title XI, part D, subpart 3 of the Senate amendment:

MARIO BIAGGI,
AUSTIN J. MURPHY,
ARLEN ERDAHL.

For title V, subtitle C, chapter 1, subchapter D and title XV, subtitle C, chapter 4 of the House bill and title XI, part D, subpart 2 of the Senate amendment:

AUGUSTUS F. HAWKINS,
WILLIAM CLAY.

From the Committee on Ways and Means:

DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J. J. PICKLE,
C. B. RANGEL,
PETE STARK,
ANDREW J. JACOBS,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT.

From the Committee on Energy and Commerce:

JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
PHILIP R. SHARP,
J. J. FLORIO,
J. H. SCHEUER,
TOBY MOFFETT.

From the Committee on Energy and Commerce:

JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORLEAD,

Managers on the Part of the House.

From the Committee on Finance:

ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE.

From the Committee on Labor and Human Resources:

ORRIN G. HATCH,
ROBERT STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS.

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES McC. MATHIAS, Jr.,
PAUL LAXALT,
Managers on the Part of the Senate.

Solely for consideration of title XV, sections 15427, 15428, and 15429, subtitle E of the House bill and title VII, sections 757, 758, and 759 of the Senate amendment.

From the Committee on Education and Labor:
CARL D. PERKINS,
JOHN M. ASHBROOK.
For all matters except title XV, subtitle E of the House bill:
AUGUSTUS F. HAWKINS,
WILLIAM CLAY,
IKE ANDREWS,
BALTASAR CORRADA,
PAT WILLIAMS,
JAMES JEFFORDS.
For title XV, subtitle E of the House bill:
PHIL BURTON,
JOSEPH M. GAYDOS,
GEO. MILLER,
RAY KOGOVSEK.
From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Finance:
ROBERT DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
HARRY F. BYRD, Jr.,
Managers of the Part of the Senate.

Solely for the consideration of section 5397 of the House bill.

From the Education and Labor Committee:
CARL D. PERKINS,
PHIL BURTON,

GEO. MILLER,
PAT WILLIAMS,
WILLIAM R. RATCHFORD.
From the Post Office and Civil Service Committee:
WILLIAM D. FORD,
PAT SCHROEDER,
GERALDINE A. FERRARO,
MARY ROSE OAKAR,
WILLIAM CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BENJAMIN A. GILMAN,
TOM CORCORAN,
Managers on the Part of the House.

From the Labor and Human Resources Committee for matters within their jurisdiction:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title V, sections 5130 and 5131 of the House bill.

From the Committee on Education and Labor:
CARL D. PERKINS,
WILLIAM D. FORD,
JOHN M. ASHBROOK,
JOHN N. ERLENBORN.
For section 5130 of the House bill:
IKE ANDREWS,
GEO. MILLER,
BALTASAR CORRADA,
BILL GOODLING,
JAMES M. JEFFORDS.
For section 5131 of the House bill:
PAUL SIMON,
PETER A. PEYSER,
DENNIS ECKART,
LAWRENCE J. DENARIS,
Managers on the Part of the House.

From the Select Committee on Indian Affairs:
BILL COHEN,

MARK ANDREWS,
SLADE GORTON,
JOHN MELCHER,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 15, subtitle E, chapter 1 (except subchapter I, and (in section 6531(a)) paragraph (1) and the first sentence following paragraph (5) of the proposed new section 17), and subtitle E, chapter 2, subchapter C of the House bill, and title IV, parts A, B, and E and sections 421, 422, and 423 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title VI, sections 6102 and 6103 and subtitle C, of the House bill, and title V, subtitle D, part 3 and subtitle G of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,

JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 2 (except section 6212) and chapter 11, subchapter A of the House bill, and title VII, parts C and D of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

Solely for the consideration of title VI, subtitle E, chapter 2, subchapters A and B of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,

NORMAN F. LENT,
EDWARD MADIGAN
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapters 1, 3, 4, (except subchapter 3), 5–10, 12, 13, and 14, and subtitle E, chapter 1, subchapter I, of the House bill, and title XI, part A (except sections 1101–4, 1104–5(a)(2) and (b)(9), 1101–8(16) through (19), and 1101–12), part E, and section 1163 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title VI, subtitle D, chapter 4, subchapter B of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SHEUER,
TOBY MOFFETT,
Managers on the Part of the House.
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
From the Committee on the Judiciary:
STROM THURMOND,
CHARLES McC. MATHIAS, Jr.,
PAUL LAXALT,
J. R. BIDEN, Jr.,
DENNIS DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of sections 8004 (except the proviso at lines 2 through 24 on page 381 of the House engrossed bill) and 8010 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.
From the Committee on Energy and Natural Resources:
JAMES A. McCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
BENNETT J. JOHNSON,
Managers on the Part of the Senate.

Solely for consideration of section 8009 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of section 8005 of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
ANTHONY TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHIL BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, JR.,
JONATHAN BINGHAM,

JOHN F. SEIBERLING,
MANUEL LUJAN, JR.,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,
Managers on the Part of the House.

From the Select Committee on Indian Affairs:
WILLIAM S. COHEN,
MARK ANDREWS,
SLADE GORTON,
Managers on the Part of the Senate.

Solely for consideration of section 6101 and the proviso in section 8004 (lines 2 through 24 on page 381) of the House bill, and title V, subtitle D, parts 1 and 2 (except sections 534-11(a)(1)(A) and (G), 534-12(a)(1)(A), and 534-13(c), (e), (h), and (i)) of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
NORMAN F. LENT,
EDWARD MADIGAN
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of the sentence following paragraph (5) of the proposed new section 17 in section 6531(a) of the House bill, and section 427 of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,

J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of paragraph (1) of the proposed new section 17 in section 6531(a) of the House bill.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
J. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,

JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
CARROL HUBBARD,
GERRY STUDDS,
GENE SNYDER, (Gene Snyder for myself and Mr. Forsythe with his consent),
PAUL MCCLOSKEY,
JOEL PRITCHARD,
Managers on the part of the House.

Solely for consideration of title VI, subtitle C, part B of the Senate amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,

JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL.
Managers on the Part of the Senate.

Solely for the consideration of section 10003 and subtitle D, chapter 6 of title XV of the House bill.

From the Energy and Commerce Committee:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
CARLOS J. MOORHEAD,

From the Post office and Civil Service Committee:
WILLIAM D. FORD,
PATRICIA SCHROEDER,
GERALDINE A. FERRARO,
MARY ROSE OAKAR,
WILLIAM CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BENJAMIN A. GILMAN,
TOM CORCORAN.

From the Ways and Means Committee:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,

Managers on the Part of the House.,
From the Finance Committee:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,

RUSSEL B. LONG,
HARRY F. BYRD, Jr.,
Managers on the Part of the Senate.

Solely for consideration of title VI, section 6212 and subtitle D, chapter 11, subchapters B and C, and title XV, sections 15600, 15602, 15614–16, 15622–24, 15631, 15632, 15633, and 15634 and subtitle D, chapter 5, of the House bill, and title VII, sections 711, 712, 714, 715, 716, 718, 719, 720, 720A–720G, and 729 of the Senate Amendment.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES H. SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD.

From the Committee on Way and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
C. B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
RUSSELL B. LONG,
HARRY F. BYRD, Jr.,
Managers on the Part of the Senate.

Solely for consideration of title VII (except sections 7001(12), 7002(10), and 7003(9)) of the House bill and title VIII of the Senate amendment.

From the Committee on Foreign Affairs:
CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,

DANTE B. FASCELL,
BENJAMIN S. ROSENTHAL,
LEE H. HAMILTON,
JONATHAN BINGHAM,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
PAUL FINDLEY,
LARRY WINN, Jr.

From the Committee on the Budget:
L. PANETTA,
Managers on the Part of the House.

From the Committee on Foreign Relations.
CHARLES PERCY,
CHARLES McC. MATHIAS, Jr.,
NANCY LANDON KASSEBAUM,
CLAIBORNE PELL,
J. R. BIDEN, Jr.,
Managers on the Part of the Senate.

Solely for consideration of title XVI of the House bill and sections 905 and 906 of the Senate amendment.

From the Committee on Government Operations:
JACK BROOKS,
L. H. FOUNTAIN,
DANTE B. FASCELL,
BEN ROSENTHAL,
DON FUQUA,
JOHN CONYERS,
FRANK HORTON,
JOHN N. ERLENBORN,
CLARENCE J. BROWN,
PAUL McCLOSKEY,
Managers on the Part of the House.

From the Committee on Governmental Affairs:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON,
DAVID PRYOR,
Managers on the Part of the Senate.

Solely for consideration of sections 8001, 8003, 8006, 8011, and 8012 of the House bill and title V, subtitles A, C, F, and H of the Senate amendment.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHIL BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,

JOHN F. SEIBERLING,
MANUEL LUJAN, Jr.,
DON YOUNG,
ROBT. J LAGOMARSINO,
DAN MARRIOTT.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN.

Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,
MALCOLM WALLOP,
HENRY M. JACKSON,
BENNETT J. JOHNSTON.

From the Committee on Environment and Public Works (solely for consideration of section 8003 and 8006 of the House bill and title V, subtitle C of the Senate amendment):
JIM ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL.

Managers on the Part of the Senate.

Solely for consideration of section 8008 of the House bill.

From the Committee on Interior and Insular Affairs:
MO UDALL,
PHILLIP BURTON,
BOB KASTENMEIER,
ABRAHAM KAZEN, Jr.,
JONATHAN BINGHAM,
JOHN F. SEIBERLING,
MANUEL LUJAN,
DON YOUNG,
ROBERT J. LAGOMARSINO,
DAN MARRIOTT,

Managers on the Part of the House.

From the Select Committee on Indian Affairs:
WILLIAM S. COHEN,
MARK ANDREWS,
SLADE GORTON,
JOHN MELCHER,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title X (except section 1002) of the Senate amendment.

From the Committee on the Judiciary:
PETER W. RODINO,
BOB KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE DANIELSON,
R. L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.
CALDWELL BUTLER,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
CHARLES MCC. MATHIAS, Jr.,
PAUL LAXALT,
J.R. BIDEN, Jr.,
DENNIS DECONCINI,
Managers on the Part of the Senate.

Solely for consideration of section 1137 of the Senate amendment.

From the Committee on the Judiciary:
PETE W. RODINO,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE E. DANIELSON,
ROMANO L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
M. CALDWELL BUTLER,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,

PAULA HAWKINS,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of sections 13016 and 13017 of the House bill.

From the Committee on the Judiciary:
PETE W. RODINO,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE E. DANIELSON,
ROMANO L. MAZZOLI,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
M. CALDWELL BUTLER,
From the Committee on Small Business:
PARREN J. MITCHELL,
NEAL SMITH,
HENRY GONZALEZ,
JOHN J. LAFALCE,
BERKLEY BEDELL,
Managers on the Part of the House.

From the Committee on the Judiciary:
STROM THURMOND,
PAUL LAXALT,
J. R. BIDEN, Jr.,
From the Committee on Small Business:
LOWELL P. WEICKERT, Jr.,
RUDY BOSCHWITZ,
S. I. HAYAKAWA,
DALE BUMPERS,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle A of the House bill and section 426 of the Senate amendment.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS,
CARROLL HUBBARD,
GERRY STUBBS,
GENE SNYDER,
PAUL N. MCCLOSKEY, Jr.,
EDWIN B. FORSYTHE,

JOEL PRITCHARD,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle C; and title XI, subtitle B, chapter 4 of the House bill.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,
MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS,
CARROLL HUBBARD,
GERRY E. STUDD,
GENE SNYDER,
PAUL MCCLOSKEY,
EDWIN B. FORSYTHE,
JOEL PRITCHARD.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title IX, subtitle B of the House bill and section 1101–4 of the Senate amendment.

From the Committee on Merchant Marine and Fisheries:
WALTER B. JONES,

MARIO BIAGGI,
JOHN BREAUX,
NORMAN D'AMOURS
CARROLL HUBBARD
GERRY STUDDS,
GENE SNYDER
PAUL MCCLOSKEY
EDWIN B. FORSYTHE,
JOEL PRITCHARD.

From the Committee on Energy and Commerce:
JOHN D. DINGELL,
RICHARD OTTINGER,
HENRY A. WAXMAN,
T. E. WIRTH,
P. SHARP,
J. J. FLORIO,
JAMES SCHEUER,
TOBY MOFFETT,
JAMES T. BROYHILL,
CLARENCE J. BROWN,
JAMES M. COLLINS,
NORMAN F. LENT,
EDWARD MADIGAN,
CARLOS J. MOORHEAD,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for the consideration of title X (except section 10003) of the House bill and sections 901–903 of the Senate amendment.

From the Post Office and Civil Service Committee:
WILLIAM D. FORD,
PATRICIA SCHROEDER,
GERALDINE A. FERRARO,
MARY ROSE OAKAR,
WM. CLAY,
MICKEY LELAND,
EDWARD J. DERWINSKI,
GENE TAYLOR,
BEN GILMAN,

TOM CORCORAN,
Managers on the Part of the House.

From the Governmental Affairs Committee:
W. V. ROTH, Jr.,
TED STEVENS,
TOM EAGLETON,
D. PRYOR,
Managers on the Part of the Senate.

Solely for consideration of title XI, subtitle A, chapter 1 and sections 11022 (except those provisions relating to the Federal Highway Administration Highway Safety Programs) and 11023 of the House bill, and sections 424, 425, and 431-437 of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Commerce, Science, and Transportation:
BOB PACKWOOD,
BARRY GOLDWATER,
HARRISON SCHMITT,
HOWARD W. CANNON,
DANIEL K. INOUYE,
Managers on the Part of the Senate.

Solely for consideration of title XI, section 11021, section 11022 (to the extent relating to the Federal Highway Administration Highway Safety Program), subtitle 3, chapters 1, 2, and 3, and subtitle C of the House bill, and title VI, subtitle A, subtitle B, part A, subtitle C, part A, and subtitles D, E, and F of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON CLAUSEN,

GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Environment and Public Works:
JAMES ABDNOR,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
STEVE SYMMS,
JENNINGS RANDOLPH,
DANIEL PATRICK MOYNIHAN,
GEORGE J. MITCHELL,
Managers on the Part of the Senate.

Solely for consideration of title XI, subtitle A, chapter 3 of the House bill, and title III, part B of the Senate amendment.

From the Committee on Public Works and Transportation:
JAMES J. HOWARD,
GLENN M. ANDERSON,
ROBERT A. ROE,
ELLIOTT H. LEVITAS,
JAMES L. OBERSTAR,
JOHN G. FARY,
DON H. CLAUSEN,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,
TOM HAGEDORN,
Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:
JAKE GARN,
JOHN HEINZ,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

Solely for consideration of title XII of the House bill, and sections 534-11(a)(1)(A) and (G), 534-12(a)(1)(A), and 534-13(c), (e), (h), and (i) of the Senate amendment.

From the Committee on Science and Technology:
DON FUQUA,
ROBERT A. ROE,
TOM HARKIN,
MARILYN BOUQUARD,
DAN GLICKMAN,
Managers on the Part of the House.

From the Committee on Energy and Natural Resources:
JAMES A. MCCLURE,
MARK O. HATFIELD,

MALCOLM WALLOP,
HENRY M. JACKSON,
J. BENNETT JOHNSTON,
Managers on the Part of the Senate.

Solely for consideration of section 1101–12 of the Senate amendment.

From the Committee on Science and Technology:
DON FUQUA,
DOUG WALGREN,
GEORGE F. BROWN, Jr.,
BOB SHAMANSKY,
STAN LUNDINE,
MERVYN M. DYMALLY,
LARRY WINN, Jr.,
MARGARET M. HECKLER,
VIN WEBER,
JUDD GREGG,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:
ORRIN G. HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
DON NICKLES,
JEREMIAH DENTON,
PAULA HAWKINS,
EDWARD M. KENNEDY,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
Managers on the Part of the Senate.

Solely for consideration of title XIII (except sections 13016 and 13017) of the House bill and title XII of the Senate amendment.

From the Committee on Small Business:
PARREN J. MITCHELL,
NEAL SMITH,
HENRY GONZALEZ,
JOHN J. LAFALCE,
BERKLEY BEDELL,
JOSEPH M. MCDADE,
WM. S. BROOMFIELD,
DAN MARRIOTT,
LYLE WILLIAMS,
Managers on the Part of the House.

From the Committee on Small Business:
LOWELL P. WEICKER,
RUDY BOSCHWITZ,
S. I. HAYAKAWA,
SAM NUNN,
DALE BUMPERS,
Managers on the Part of the Senate.

Solely for consideration of title XIV of the House bill and title XIII of the Senate amendment.

From the Committee on Veterans' Affairs:
G. V. MONTGOMERY,
DON EDWARDS,
BOB EDGAR,
SAM B. HALL, Jr.,
MARVIN LEATH,
JOHN PAUL HAMMERSCHMIDT,
MARGARET M. HECKLER,
CHALMERS P. WYLIE,
HAROLD S. SAWYER,
Managers on the Part of the House.

From the Committee on Veterans' Affairs:
ALAN K. SIMPSON,
BOB KASTEN,
FRANK H. MURKOWSKI,
ALAN CRANSTON,
JENNINGS RANDOLPH,
Managers on the Part of the Senate.

Solely for consideration of title XV, subtitles A and B, subtitle C (except chapters 4 and 5), and sections 15601, 15611-13, 15621, 15625, 15633, 15635, and 15636 of the House bill, and title VII, part A (except sections 711, 712, 714, 715, 716, 718, 719, 720, 720A-720G, and 729), part E, part F (except sections 757, 758, and 759), and parts G, H, and J of the Senate amendment.

From the Committee on Ways and Means:
DAN ROSTENKOWSKI,
SAM GIBBONS,
J. J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BARBER B. CONABLE, Jr.,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT.
Managers on the Part of the House.

From the Committee on Finance:
BOB DOLE,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

For consideration of the entire House bill and Senate amendment (including sections 1 and 2 of the House bill and section 1 of the Senate amendment).

From the Committee on the Budget:

JAMES R. JONES,
NORMAN Y. MINETA,
STEPHEN J. SOLARZ,
LEON E. PANETTA,
RICHARD A. GEPHARDT,
LES ASPIN,
DELBERT L. LATTA,
RALPH REGULA,
BUD SHUSTER,
BOBBI FIEDLER,
Managers on the Part of the House.

From the Committee on the Budget:
PETE V. DOMENICI,
RUDY BOSCHWITZ,
ERNEST F. HOLLINGS,
LAWTON CHILES,
Managers on the Part of the Senate.

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