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**TITLES II AND III—  
MAKING APPROPRIATIONS FOR  
FISCAL YEAR 1996 TO MAKE  
A FURTHER DOWNPAYMENT  
TOWARD A BALANCED BUDGET,  
AND FOR OTHER PURPOSES**

**PUBLIC LAW 104-134**

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**SUPPLEMENTALS, RESCISSIONS AND OFFSETS, 1996**

110 STAT.

PUBLIC LAW 104-134—APR. 26, 1996

**\*Public Law 104-134  
104th Congress****An Act**Apr. 26, 1996  
[H.R. 3019]

Making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*Omnibus  
Consolidated  
Rescissions and  
Appropriations  
Act of 1996.Supplemental  
Appropriations  
Act of 1996.**TITLE II—SUPPLEMENTAL APPROPRIATIONS FOR THE  
FISCAL YEAR ENDING SEPTEMBER 30, 1996****CHAPTER 1****DEPARTMENT OF AGRICULTURE****FOOD SAFETY AND INSPECTION SERVICE**

Certification.

Of the funds appropriated by Public Law 104-37 or otherwise made available to the Food Safety and Inspection Service for fiscal year 1996, not less than \$363,000,000 shall be available for salaries and benefits of in-plant personnel: *Provided*, That this limitation shall not apply if the Secretary of Agriculture certifies to the House and Senate Committees on Appropriations that a lesser amount will be adequate to fully meet in-plant inspection requirements for the fiscal year.

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\*Note: This is a typeset print of the original hand enrollment as signed by the President on April 26, 1996. The text is printed without corrections. Footnotes indicate missing or illegible text in the original.

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## NATURAL RESOURCES CONSERVATION SERVICE

## WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for “Watershed and Flood Prevention Operations” to repair damages to waterways and watersheds resulting from flooding in the Pacific Northwest, the Northeast blizzards and floods, and other natural disasters, \$80,514,000, to remain available until expended: *Provided*, That if the Secretary determines that the cost of land and farm structures restoration exceeds the fair market value of an affected cropland, the Secretary may use sufficient amounts, not to exceed \$7,288,000, from funds provided under this heading to accept bids from willing sellers to provide conservation easements for such cropland inundated by floods as provided for by the Wetlands Reserve Program, authorized by subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837): *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$80,514,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

\$80,514,000

President.

## CONSOLIDATED FARM SERVICE AGENCY

## EMERGENCY CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205) for expenses resulting from floods in the Pacific Northwest and other natural disasters, \$30,000,000, to remain available until expended, as authorized by 16 U.S.C. 2204: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

30,000,000

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## RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

## RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For an additional amount for “Rural housing insurance fund program account” for the additional cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, for emergency expenses resulting from flooding in the Pacific Northwest, the Northeast blizzards and floods, Hurricane Marilyn, and other natural disasters, to be available from funds in the rural housing insurance fund as follows: \$5,000,000 for section 502 direct loans and \$1,500,000 for section 504 housing repair loans, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

\$5,000,000  
<sup>1</sup> 34,965,000  
 1,500,000  
<sup>2</sup> 3,995,000

[Total, \$6,500,000.]

## VERY LOW-INCOME HOUSING REPAIR GRANTS

For an additional amount for “Very low-income housing repair grants” under section 504 of the Housing Act of 1949, as amended, for emergency expenses resulting from flooding in the Pacific Northwest, the Northeast blizzards and floods, Hurricane Marilyn, and other natural disasters, \$1,100,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

1,100,000

[Total, Rural Housing and Community Development Services, \$7,600,000.]

## RURAL UTILITIES SERVICE

## RURAL UTILITIES ASSISTANCE PROGRAM

For an additional amount for the “Rural Utilities Assistance Program” for the cost of direct loans and grants, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, to assist in the recovery from flooding in the Pacific Northwest and other natural disasters, \$11,000,000, to remain available until expended: *Provided*, That such funds may be available for emergency community water assistance grants as authorized by 7 U.S.C. 1926b: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

11,000,000

## GENERAL PROVISIONS

**SECTION 2001. SEAFOOD SAFETY.**

Notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration as satisfying the requirements of the “Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products” (published by the Food and Drug Administration as a final regulation in the Federal Register of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity

<sup>1</sup> CBO estimate of direct loans.

<sup>2</sup> CBO estimate of guaranteed loans.

purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.

**SEC. 2002.**

7 USC 1941 note.

Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized to make or guarantee an operating loan under Subtitle B or an emergency loan under Subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et. seq.), as in effect prior to April 4, 1996, to a loan applicant who was less than 90 days delinquent on April 4, 1996, if the loan applicant had submitted an application for the loan prior to April 5, 1996.

[*Total, Chapter 1, \$129,114,000.*]

## CHAPTER 1A

## FOOD AND DRUG EXPORT REFORM

FDA Export  
Reform and  
Enhancement  
Act of 1996.

**SEC. 2101. SHORT TITLE; REFERENCE.**

(a) **SHORT TITLE.**—This chapter may be cited as the “FDA Export Reform and Enhancement Act of 1996”.

21 USC 301 note.

(b) **REFERENCE.**—Wherever in this chapter (other than in section 2104) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act. (21 U.S.C. 321 et seq.)

**SEC. 2102. EXPORT OF DRUGS AND DEVICES.**

(a) **IMPORTS FOR EXPORT.**—Section 801 (21 U.S.C. 381) is amended—

(1) in subsection (d), by adding at the end thereof the following:

“(3) No component of a drug, no component part or accessory of a device which is ready or suitable for use for health-related purposes, and no food additive, color additive, or dietary supplement, including a product in bulk form, shall be excluded from importation into the United States under subsection (a) if—

“(A) the importer of such article of a drug or device or importer of the food additive, color additive, or dietary supplement submits a statement to the Secretary, at the time of initial importation, that such article of a drug or device, food additive, color additive, or dietary supplement is intended to be incorporated by the initial owner or consignee into a drug, biological product, device, food, food additive, color additive, or dietary supplement that will be exported by such owner or consignee from the United States in accordance with section 801(e) or 802 or section 351(h) of the Public Health Service Act;

“(B) the initial owner or consignee responsible for such imported article maintains records that identify the use of such imported article and upon request of the Secretary submits a report that provides an accounting of the exportation or

Records.  
Reports.

the disposition of the imported article, including portions that have been destroyed, and the manner in which such person complied with the requirements of this paragraph; and

“(C) any imported component, part, or accessory of a drug or device and any food additive, color additive, or dietary supplement not incorporated as described in subparagraph (A) is destroyed or exported by the owner or consignee.

“(4) The importation into the United States of blood, blood components, source plasma, or source leukocytes or of a component, accessory, or part thereof is not permitted pursuant to paragraph (3) unless the importation complies with section 351(a) of the Public Health Service Act or the Secretary permits the importation under appropriate circumstances and conditions, as determined by the Secretary. The importation of tissue or a component or part of tissue is not permitted pursuant to paragraph (3) unless the importation complies with section 361 of the Public Health Service Act.”;

(b) EXPORT OF CERTAIN PRODUCTS.—Section 801 (21 U.S.C. 381) is amended—

(1) in subsection (e)(1), by striking the second sentence;

(2) in subsection (e)(2)—

(A) by striking “the Secretary” and inserting “either (i) the Secretary”; and

(B) by inserting before the period at the end thereof the following: “or (ii) the device is eligible for export under section 802”; and

(3) in subsection (e), by adding at the end thereof the following:;

“(3) A new animal drug that requires approval under section 512 shall not be exported pursuant to paragraph (1) if such drug has been banned in the United States.

“(4)(A) Any person who exports a drug, animal drug, or device may request that the Secretary—

“(i) certify in writing that the exported drug, animal drug, or device meets the requirements of paragraph (1) or section 802; or

“(ii) certify in writing that the drug, animal drug, or device being exported meets the applicable requirements of this Act upon a showing that the drug or device meets the applicable requirements of this Act.

Certification.

The Secretary shall issue such a certification within 20 days of the receipt of a request for such certification.

“(B) If the Secretary issues a written export certification within the 20 days prescribed by subparagraph (A), a fee for such certification may be charged but shall not exceed \$175 for each certification. Fees collected for a fiscal year pursuant to this subparagraph shall be credited to the appropriation account for salaries and expenses of the Food and Drug Administration and shall be available in accordance with appropriations Acts until expended without fiscal year limitation. Such fees shall be collected in each fiscal year in an amount equal to the amount specified in appropriations Acts for such fiscal year and shall only be collected and available for the costs of the Food and Drug Administration.”.

(c) LABELING OF EXPORTED DRUGS.—Section 801 (21 U.S.C. 381) is amended by adding at the end the following:

“(f)(1) If a drug being exported in accordance with subsection (e) is being exported to a country that has different or additional

labeling requirements or conditions for use and such country requires the drug to be labeled in accordance with those requirements or uses, such drug may be labeled in accordance with such requirements and conditions for use in the country to which such drug is being exported if it also is labeled in accordance with the requirements of this Act.

“(2) If, pursuant to paragraph (1), the labeling of an exported drug includes conditions for use that have not been approved under this Act, the labeling must state that such conditions for use have not been approved under this Act.”.

(d) EXPORT OF CERTAIN UNAPPROVED DRUGS AND DEVICES.—

(1) AMENDMENT.—Section 802 (21 U.S.C. 382) is amended to read as follows:

“EXPORTS OF CERTAIN UNAPPROVED PRODUCTS

“SEC. 802. (a) A drug or device—

“(1) which, in the case of a drug—

“(A)(i) requires approval by the Secretary under section 505 before such drug may be introduced or delivered for introduction into interstate commerce; or

“(ii) requires licensing by the Secretary under section 351 of the Public Health Service Act or by the Secretary of Agriculture under the Act of March 4, 1913 (known as the Virus-Serum Toxin Act) before it may be introduced or delivered for introduction into interstate commerce;

“(B) does not have such approval or license; and

“(C) is not exempt from such sections or Act; and

“(2) which, in the case of a device—

“(A) does not comply with an applicable requirement under section 514 or 515;

“(B) under section 520(g) is exempt from either such section; or

“(C) is a banned device under section 516, is adulterated, misbranded, and in violation of such sections or Act unless the export of the drug or device is, except as provided in subsection (f), authorized under subsection (b), (c), (d), or (e) or section 801(e)(2). If a drug or device described in paragraphs (1) and (2) may be exported under subsection (b) and if an application for such drug or device under section 505 or 515 or section 351 of the Public Health Service Act was disapproved, the Secretary shall notify the appropriate public health official of the country to which such drug will be exported of such disapproval.

“(b)(1)(A) A drug or device described in subsection (a) may be exported to any country, if the drug or device complies with the laws of that country and has valid marketing authorization by the appropriate authority—

“(i) in Australia, Canada, Israel, Japan, New Zealand, Switzerland, or South Africa; or

“(ii) in the European Union or a country in the European Economic Area (the countries in the European Union and the European Free Trade Association) if the drug or device is marketed in that country or the drug or device is authorized for general marketing in the European Economic Area.

“(B) The Secretary may designate an additional country to be included in the list of countries described in clauses (i) and

(ii) of subparagraph (A) if all of the following requirements are met in such country:

“(i) Statutory or regulatory requirements which require the review of drugs and devices for safety and effectiveness by an entity of the government of such country and which authorize the approval of only those drugs and devices which have been determined to be safe and effective by experts employed by or acting on behalf of such entity and qualified by scientific training and experience to evaluate the safety and effectiveness of drugs and devices on the basis of adequate and well-controlled investigations, including clinical investigations, conducted by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs and devices.

“(ii) Statutory or regulatory requirements that the methods used in, and the facilities and controls used for—

“(I) the manufacture, processing, and packing of drugs in the country are adequate to preserve their identity, quality, purity, and strength; and

“(II) the manufacture, preproduction design validation, packing, storage, and installation of a device are adequate to assure that the device will be safe and effective.

“(iii) Statutory or regulatory requirements for the reporting of adverse reactions to drugs and devices and procedures to withdraw approval and remove drugs and devices found not to be safe or effective.

“(iv) Statutory or regulatory requirements that the labeling and promotion of drugs and devices must be in accordance with the approval of the drug or device.

“(v) The valid marketing authorization system in such country or countries is equivalent to the systems in the countries described in clauses (i) and (ii) of subparagraph (A).

The Secretary shall not delegate the authority granted under this subparagraph.

“(C) An appropriate country official, manufacturer, or exporter may request the Secretary to take action under subparagraph (B) to designate an additional country or countries to be added to the list of countries described in clauses (i) and (ii) of subparagraph (A) by submitting documentation to the Secretary in support of such designation. Any person other than a country requesting such designation shall include, along with the request, a letter from the country indicating the desire of such country to be designated.

“(2) A drug described in subsection (a) may be directly exported to a country which is not listed in clause (i) or (ii) of paragraph (1)(A) if—

“(A) the drug complies with the laws of that country and has valid marketing authorization by the responsible authority in that country; and

“(B) the Secretary determines that all of the following requirements are met in that country:

“(i) Statutory or regulatory requirements which require the review of drugs for safety and effectiveness by an entity of the government of such country and which authorize the approval of only those drugs which have been determined to be safe and effective by experts employed by or acting on behalf of such entity and qualified by scientific training and experience to evaluate the safety

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and effectiveness of drugs on the basis of adequate and well-controlled investigations, including clinical investigations, conducted by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs.

“(ii) Statutory or regulatory requirements that the methods used in, and the facilities and controls used for the manufacture, processing, and packing of drugs in the country are adequate to preserve their identity, quality, purity, and strength.

“(iii) Statutory or regulatory requirements for the reporting of adverse reactions to drugs and procedures to withdraw approval and remove drugs found not to be safe or effective.

“(iv) Statutory or regulatory requirements that the labeling and promotion of drugs must be in accordance with the approval of the drug.

“(3) The exporter of a drug described in subsection (a) which would not meet the conditions for approval under this Act or conditions for approval of a country described in clause (i) or (ii) of paragraph (1)(A) may petition the Secretary for authorization to export such drug to a country which is not described in clause (i) or (ii) of paragraph (1)(A) or which is not described in paragraph (2). The Secretary shall permit such export if—

“(A) the person exporting the drug—

“(i) certifies that the drug would not meet the conditions for approval under this Act or the conditions for approval of a country described in clause (i) or (ii) of paragraph (1)(A); and

“(ii) provides the Secretary with credible scientific evidence, acceptable to the Secretary, that the drug would be safe and effective under the conditions of use in the country to which it is being exported; and

“(B) the appropriate health authority in the country to which the drug is being exported—

“(i) requests approval of the export of the drug to such country;

“(ii) certifies that the health authority understands that the drug is not approved under this Act or in a country described in clause (i) or (ii) of paragraph (1)(A); and

“(iii) concurs that the scientific evidence provided pursuant to subparagraph (A) is credible scientific evidence that the drug would be reasonably safe and effective in such country.

The Secretary shall take action on a request for export of a drug under this paragraph within 60 days of receiving such request.

“(c) A drug or device intended for investigational use in any country described in clause (i) or (ii) of subsection (b)(1)(A) may be exported in accordance with the laws of that country and shall be exempt from regulation under section 505(i) or 520(g).

“(d) A drug or device intended for formulation, filling, packaging, labeling, or further processing in anticipation of market authorization in any country described in clause (i) or (ii) of subsection (b)(1)(A) may be exported for use in accordance with the laws of that country.

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“(e)(1) A drug or device which is used in the diagnosis, prevention, or treatment of a tropical disease or another disease not of significant prevalence in the United States and which does not otherwise qualify for export under this section shall, upon approval of an application, be permitted to be exported if the Secretary finds that the drug or device will not expose patients in such country to an unreasonable risk of illness or injury and the probable benefit to health from the use of the drug or device (under conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling of the drug or device) outweighs the risk of injury or illness from its use, taking into account the probable risks and benefits of currently available drug or device treatment.

Reports.

“(2) The holder of an approved application for the export of a drug or device under this subsection shall report to the Secretary—

“(A) the receipt of any credible information indicating that the drug or device is being or may have been exported from a country for which the Secretary made a finding under paragraph (1)(A) to a country for which the Secretary cannot make such a finding; and

“(B) the receipt of any information indicating adverse reactions to such drug.

“(3)(A) If the Secretary determines that—

“(i) a drug or device for which an application is approved under paragraph (1) does not continue to meet the requirements of such paragraph; or

“(ii) the holder of an approved application under paragraph (1) has not made the report required by paragraph (2), the Secretary may, after providing the holder of the application an opportunity for an informal hearing, withdraw the approved application.

“(B) If the Secretary determines that the holder of an approved application under paragraph (1) or an importer is exporting a drug or device from the United States to an importer and such importer is exporting the drug or device to a country for which the Secretary cannot make a finding under paragraph (1) and such export presents an imminent hazard, the Secretary shall immediately prohibit the export of the drug or device to such importer, provide the person exporting the drug or device from the United States prompt notice of the prohibition, and afford such person an opportunity for an expedited hearing.

“(f) A drug or device may not be exported under this section—

“(1) if the drug or device is not manufactured, processed, packaged, and held in substantial conformity with current good manufacturing practice requirements or does not meet international standards as certified by an international standards organization recognized by the Secretary;

“(2) if the drug or device is adulterated under clause (1), (2)(A), or (3) of section 501(a) or subsection (c) or (d) of section 501;

“(3) if the requirements of subparagraphs (A) through (D) of section 801(e)(1) have not been met;

“(4)(A) if the drug or device is the subject of a notice by the Secretary or the Secretary of Agriculture of a determination that the probability of reimportation of the exported drug or device would present an imminent hazard to the public health and safety of the United States and the only means

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of limiting the hazard is to prohibit the export of the drug or device; or

“(B) if the drug or device presents an imminent hazard to the public health of the country to which the drug or device would be exported;

“(5) if the drug or device is not labeled—

“(A) in accordance with the requirements and conditions for use in—

“(i) the country in which the drug or device received valid marketing authorization under subsection (b); and

“(ii) the country to which the drug or device would be exported; and

“(B) in the language and units of measurement of the country to which the drug or device would be exported or in the language designated by such country; or

“(6) if the drug or device is not promoted in accordance with the labeling requirements set forth in paragraph (5).

In making a finding under paragraph (4)(B), (5), or (6) the Secretary shall consult with the appropriate public health official in the affected country.

“(g) The exporter of a drug or device exported under subsection (b)(1) shall provide a simple notification to the Secretary identifying the drug or device when the exporter first begins to export such drug or device to any country listed in clause (i) or (ii) of subsection (b)(1)(A). When an exporter of a drug or device first begins to export a drug or device to a country which is not listed in clause (i) or (ii) of subsection (b)(1)(A), the exporter shall provide a simple notification to the Secretary identifying the drug or device and the country to which such drug or device is being exported. Any exporter of a drug or device shall maintain records of all drugs or devices exported and the countries to which they were exported.

Records.

“(h) For purposes of this section—

“(1) a reference to the Secretary shall in the case of a biological product which is required to be licensed under the Act of March 4, 1913 (37 Stat. 832-833) (commonly known as the Virus-Serum Toxin Act) be considered to be a reference to the Secretary of Agriculture, and

“(2) the term ‘drug’ includes drugs for human use as well as biologicals under section 351 of the Public Health Service Act or the Act of March 4, 1913 (37 Stat. 832-833) (commonly known as the Virus-Serum Toxin Act).”.

(2) CONFORMING AMENDMENTS.—Section 351(h) of the Public Health Service Act (42 U.S.C. 262(h)) is amended by striking “802(b)(A)” and inserting “802(b)(1)” and by striking “802(b)(4)” and inserting “802(b)(1)”.

**SEC. 2103. PROHIBITED ACT.**

Section 301 (21 U.S.C. 331) is amended—

(1) by redesignating the second subsection (u) as subsection (v); and

(2) by adding at the end thereof the following:

“(w) The making of a knowingly false statement in any record or report required or requested under subparagraph (A) or (B) of section 801(d)(3), the failure to submit or maintain records as required by sections 801(d)(3)(A) and 801(d)(3)(B), the release into interstate commerce of any article imported into the United States

under section 801(d)(3) or any finished product made from such article (except for export in accordance with section 801(e) or 802 or section 351(h) of the Public Health Service Act), or the failure to export or destroy any component, part or accessory not incorporated into a drug, biological product or device that will be exported in accordance with section 801(e) or 802 or section 351(h) of the Public Health Service Act.”.

**SEC. 2104. PARTIALLY PROCESSED BIOLOGICAL PRODUCTS.**

Subsection (h) of section 351 of the Public Health Service Act (42 U.S.C. 262) is amended to read as follows:

“(h) A partially processed biological product which—

“(1) is not in a form applicable to the prevention, treatment, or cure of diseases or injuries of man;

“(2) is not intended for sale in the United States; and

“(3) is intended for further manufacture into final dosage form outside the United States,

shall be subject to no restriction on the export of the product under this Act or the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et. seq.) if the product is manufactured, processed, packaged, and held in conformity with current good manufacturing practice requirements or meets international manufacturing standards as certified by an international standards organization recognized by the Secretary and meets the requirements of section 801(e)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(e)).”.

**SEC. 2105. (a) IN GENERAL.**—Any owner on the date of enactment of this Act of the right to market a nonsteroidal antiinflammatory drug that—

(1) contains a previously patented active agent;

(2) has been reviewed by the Federal Food and Drug Administration for a period of more than 120 months as a new drug application; and

(3) was approved as safe and effective by the Federal Food and Drug Administration on October 29, 1992,

shall be entitled, for the 2-year period beginning on October 29, 1997, to exclude others from making, using, offering for sale, selling, or importing into the United States such active agent, in accordance with section 154(a)(1) of title 35, United States Code.

(b) **INFRINGEMENT.**—Section 271 of title 35, United States Code shall apply to the infringement of the entitlement provided under subsection (a). No application described in section 271(e)(2)(A) of title 35, United States Code, regardless of purpose, may be submitted prior to the expiration of the entitlement provided under subsection (a).

(c) **NOTIFICATION.**—Not later than 30 days after the date of the enactment of this Act, any owner granted an entitlement under subsection (a) shall notify the Commissioner of Patents and Trademarks and the Secretary for Health and Human Services of such entitlement. Not later than 7 days after the receipt of such notice, the Commissioner and the Secretary shall publish an appropriate notice of the receipt of such notice.

CHAPTER 2

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE  
JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount for emergency expenses including mitigation relating to flooding and other natural disasters, \$18,000,000, to remain available until expended, for grants and related expenses pursuant to the Public Works and Economic Development Act of 1965, as amended, and for administrative expenses which may be transferred to and merged with the appropriations for “Salaries and expenses”: *Provided*, That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to Congress.

\$18,000,000

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CONSTRUCTION

For an additional amount for “Construction” for emergency expenses resulting from flooding in the Pacific Northwest and other natural disasters, \$7,500,000, to remain available until expended: *Provided*, That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

7,500,000

[*Total, Department of Commerce, \$25,500,000.*]

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

DISASTER LOANS PROGRAM ACCOUNT

For an additional amount for “Disaster Loans Program Account”, \$71,000,000 for the cost of direct loans, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; and for administrative expenses to carry out the disaster loan program, \$29,000,000, to remain available until expended: *Provided*, That both amounts are hereby designated by Congress as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

71,000,000

29,000,000

[*Total, \$100,000,000.*]

[*Total, Chapter 2, \$125,500,000.*]

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## CHAPTER 3

## DEPARTMENT OF DEFENSE—CIVIL

## DEPARTMENT OF THE ARMY

## CORPS OF ENGINEERS—CIVIL

## GENERAL INVESTIGATIONS

Any funds heretofore appropriated and made available in Public Law 102-104 and Public Law 102-377 to carry out the provisions for the project for navigation, St. Louis Harbor, Missouri and Illinois; may be utilized by the Secretary of the Army in carrying out the Upper Mississippi and Illinois Waterway System Navigation Study, Iowa, Illinois, Missouri, Wisconsin, Minnesota, in fiscal year 1996 or until expended.

## OPERATION AND MAINTENANCE, GENERAL

\$30,000,000 For an additional amount for "Operation and Maintenance, General", for the Northeast and Northwest floods of 1996, \$30,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## FLOOD CONTROL AND COASTAL EMERGENCIES

135,000,000 For an additional amount for "Flood Control and Coastal Emergencies", for the Northeast and Northwest floods of 1996 and other disasters, and to replenish funds transferred pursuant to Public Law 84-99, \$135,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(D)(2)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[*Total, Corps of Engineers—Civil, \$165,000,000.*]

## DEPARTMENT OF THE INTERIOR

## BUREAU OF RECLAMATION

## CONSTRUCTION PROGRAM

9,000,000 For an additional amount for "Construction Program", \$9,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(D)(2)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## DEPARTMENT OF ENERGY

## ATOMIC ENERGY DEFENSE ACTIVITIES

## OTHER DEFENSE ACTIVITIES

15,000,000 For an additional amount for "Other Defense Activities", for the Materials Protection, Control and Accounting program, \$15,000,000 to remain available until expended, notwithstanding any other provision of law.

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## POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE,  
WESTERN AREA POWER ADMINISTRATION

## (TRANSFER OF FUNDS)

\$5,500,000 of funds appropriated under this heading in the Energy and Water Development Appropriations Act, 1995 (Public Law 103-316), shall be transferred to the appropriation account "Operation and Maintenance, Alaska Power Administration", to remain available until expended, only for necessary termination expenses.

<sup>1</sup> \$5,500,000

[Total, Chapter 3, \$189,000,000.]

## CHAPTER 4

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED  
PROGRAMS

## FUNDS APPROPRIATED TO THE PRESIDENT

## UNANTICIPATED NEEDS

UNANTICIPATED NEEDS FOR DEFENSE OF ISRAEL AGAINST  
TERRORISM

For emergency expenses necessary to meet unanticipated needs for the acquisition and provision of goods, services, and/or grants for Israel necessary to support the eradication of terrorism in and around Israel, \$50,000,000: *Provided*, That none of the funds appropriated in this paragraph shall be available for obligation except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

50,000,000

## MILITARY ASSISTANCE

## FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for "Foreign Military Financing Program" for grants for Jordan pursuant to section 23 of the Arms Export Control Act, \$70,000,000: *Provided*, That such funds may be used for Jordan to finance transfers by lease of defense articles under chapter 6 of such Act.

70,000,000

[Total, Chapter 4, \$120,000,000.]

## CHAPTER 5

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

## DEPARTMENT OF THE INTERIOR

## BUREAU OF LAND MANAGEMENT

## CONSTRUCTION AND ACCESS

For an additional amount for "Construction and Access", \$5,000,000, to remain available until expended, to repair roads,

5,000,000

<sup>1</sup> Transfer.

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culverts, bridges, facilities, fish and wildlife protective structures, and recreation sites, damaged due to the Pacific Northwest flooding: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$758,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

President.

## OREGON AND CALIFORNIA GRANT LANDS

\$35,000,000 For an additional amount for “Oregon and California Grant Lands”, \$35,000,000, to remain available until expended, to repair roads, culverts, bridges, facilities, fish and wildlife protective structures, and recreation sites, damaged due to the Pacific Northwest flooding: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$15,452,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

President.

[Total, BLM, \$40,000,000.]

## UNITED STATES FISH AND WILDLIFE SERVICE

## RESOURCE MANAGEMENT

1,600,000 For an additional amount for Resource Management, \$1,600,000, to remain available until expended, to provide technical assistance to the Natural Resource Conservation Service, the Federal Emergency Management Agency, the United States Army Corps of Engineers and other agencies on fish and wildlife habitat issues related to damage caused by floods, storms and other acts of nature: *Provided*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## CONSTRUCTION

37,300,000 For an additional amount for “Construction”, \$37,300,000, to remain available until expended, to repair damage caused by hurricanes, floods and other acts of nature, and to protect natural resources *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985,

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as amended: *Provided further*, That \$16,795,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[*Total, USFWS, \$38,900,000.*]

## NATIONAL PARK SERVICE

## CONSTRUCTION

For an additional amount for “Construction”, \$47,000,000, to remain available until expended, to repair damage caused by hurricanes, floods and other acts of nature: *Provided* that Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$13,399,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

## UNITED STATES GEOLOGICAL SURVEY

## SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for “Surveys, investigations, and research”, \$2,000,000, to remain available until September 30, 1997, for the costs related to hurricanes, floods and other acts of nature: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$824,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

## BUREAU OF INDIAN AFFAIRS

## OPERATION OF INDIAN PROGRAMS

For an additional amount for “Operation of Indian Programs”, \$500,000, to remain available until September 30, 1997, for emergency operations and repairs related to winter floods: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## CONSTRUCTION

For an additional amount for “Construction”, \$16,500,000, to remain available until expended, for emergency repairs related to winter floods: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Con-

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President. trol Act of 1985, as amended: *Provided further*, That \$7,072,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.  
 [Total, BIA, \$17,000,000.]

## TERRITORIAL AND INTERNATIONAL AFFAIRS

## ASSISTANCE TO TERRITORIES

\$13,000,000 For an additional amount for "Assistance to Territories", \$13,000,000, to remain available until expended, for recovery efforts from Hurricane Marilyn: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$11,000,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.  
 [Total, Department of the Interior, \$157,900,000.]

## DEPARTMENT OF AGRICULTURE

## FOREST SERVICE

## NATIONAL FOREST SYSTEM

26,600,000 For an additional amount for "National Forest System", \$26,600,000, to remain available until expended, to repair damage caused by hurricanes, floods and other acts of nature: *Provided* that Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$6,600,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

## CONSTRUCTION

60,800,000 For an additional amount for "Construction", \$60,800,000, to remain available until expended: *Provided*, That Congress hereby designates this amount as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That \$20,800,000 of this amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.  
 [Total, Forest Service, \$87,400,000.]  
 [Total, Chapter 5, \$245,300,000.]

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## CHAPTER 6

## DEPARTMENT OF DEFENSE

## MILITARY CONSTRUCTION

## NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

For an additional amount for “North Atlantic Treaty Organization Security Investment Program”, \$37,500,000, to remain available until expended: *Provided*, That the Secretary of Defense may make additional contributions for the North Atlantic Treaty Organization as provided in section 2806 of title 10, United States Code: *Provided further*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

\$37,500,000

## GENERAL PROVISION

**SEC. 2601. LAND CONVEYANCE, U.S. ARMY RESERVE, GREENSBORO, ALABAMA.**

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Hale County, Alabama, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 5.17 acres and located in Greensboro, Alabama, that was conveyed by Hale County, Alabama, to the United States by warranty deed dated September 12, 1988.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under subsection (a) shall be as described in the deed referred to in that subsection.

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

## CHAPTER 7

## DEPARTMENT OF DEFENSE—MILITARY

## MILITARY PERSONNEL

## MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$257,200,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

257,200,000

## MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$11,700,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

11,700,000

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## MILITARY PERSONNEL, MARINE CORPS

\$2,600,000 For an additional amount for “Military Personnel, Marine Corps”, \$2,600,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## MILITARY PERSONNEL, AIR FORCE

27,300,000 For an additional amount for “Military Personnel, Air Force”, \$27,300,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[*Total, Military Personnel, \$298,800,000.*]

## OPERATION AND MAINTENANCE

## OPERATION AND MAINTENANCE, ARMY

241,500,000 For an additional amount for “Operation and Maintenance, Army”, \$241,500,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## OPERATION AND MAINTENANCE, MARINE CORPS

900,000 For an additional amount for “Operation and Maintenance, Marine Corps”, \$900,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

## OPERATION AND MAINTENANCE, AIR FORCE

173,000,000 For an additional amount for “Operation and Maintenance, Air Force”, \$173,000,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

<sup>1</sup> 44,900,000

## OPERATION AND MAINTENANCE, DEFENSE-WIDE

79,800,000 For an additional amount for “Operation and Maintenance, Defense-Wide”, \$79,800,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

<sup>2</sup> 15,000,000

[*Total, O&M, \$540,100,000.*]

## PROCUREMENT

## OTHER PROCUREMENT, AIR FORCE

26,000,000 For an additional amount for “Other Procurement, Air Force”, \$26,000,000: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

<sup>1</sup> Provided in sec. 2708.

<sup>2</sup> Transfer provided in sec. 2705.

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## GENERAL PROVISIONS

## (TRANSFER OF FUNDS)

SEC. 2701. Section 8005 of the Department of Defense Appropriations Act, 1996 (Public Law 104-61), is amended by striking out “\$2,400,000,000” and inserting in lieu thereof “\$3,100,000,000”: *Provided*, That the additional transfer authority provided herein shall be available only to the extent funds are transferred, or have been transferred, during the current fiscal year to cover the costs associated with United States military operations in support of the NATO-led Peace Implementation Force (IFOR) in and around the former Yugoslavia.

109 Stat. 652.

<sup>1</sup> \$700,000,000

SEC. 2702. Notwithstanding any other provision of law, funds appropriated in the Department of Defense Appropriations Act, 1996 (Public Law 104-61) under the heading “Aircraft Procurement, Air Force” may be obligated for advance procurement and procurement of F-15E aircraft.

SEC. 2703. (a) Funds appropriated under the heading, “Aircraft Procurement, Air Force”, in Public Laws 104-61, 103-335 and 103-139 that are or remain available for C-17 airframes, C-17 aircraft engines, and complementary widebody aircraft/NDAA may be used for multiyear procurement contracts for C-17 aircraft: *Provided*, That the duration of multiyear contracts awarded under the authority of this subsection may be for a period not to exceed seven program years, notwithstanding section 2306b(k) of title 10, United States Code: *Provided further*, That the funds referred to in this subsection also may be used for advance procurement for up to ten C-17 aircraft in fiscal year 1997: *Provided further*, That the advance procurement funds referred to in this subsection may be used to fund Economic Order Quantities for up to eighty aircraft.

(b) Immediately upon enactment of this Act, the Secretary of Defense shall enter into negotiations with the C-17 aircraft and engine prime contractors for a baseline fixed price contract for multiyear procurement of eighty C-17 aircraft over a period of seven program years, and alternatives for multiyear procurement of eighty C-17 aircraft over a period of six program years.

Contracts.

(c) The authority to award a multiyear contract as provided in subsection (a) shall not be effective until the Secretary of Defense certifies to the Congressional defense committees that the Air Force will realize a savings of more than 5 percent in the total flyaway price for the eighty C-17 aircraft under a C-17 multiyear contract as compared to annual lot procurement of the aircraft at the maximum affordable rate profile approved in the November 3, 1995, Acquisition Decision Memorandum: *Provided*, That these savings shall exceed the estimates presented in the “Multiyear Procurement Criteria Program: C-17” documents submitted pursuant to the request for a fiscal year 1996 supplemental appropriation transmitted to the Congress.

Certification.

(d) The authority under subsection (a) may not be used to execute a multiyear procurement contract until the earlier of (1) May 24, 1996, or (2) the day after the date of the enactment of an Act that contains a provision authorizing the Department of Defense to enter into a multiyear contract for the C-17 aircraft program.

(e) Not later than May 24, 1996, the Secretary of Defense shall submit to the Congressional defense committees a report providing a detailed program plan for the six-year multiyear

Reports.

<sup>1</sup> Additional transfer authority.

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procurement program; such report also shall include the latest estimate of any additional savings potentially generated from such an accelerated multiyear procurement of C-17 aircraft.

\$50,000,000 SEC. 2704. In addition to the amounts made available in Public Law 104-61 under the heading "Research, Development, Test and Evaluation, Defense-Wide", \$50,000,000 is hereby appropriated and made available to continue the activities of the semiconductor manufacturing consortium known as Sematech.

(TRANSFER OF FUNDS)

SEC. 2705. Of the funds appropriated in title II of Public Law 104-61, under the heading "Overseas Humanitarian, Disaster, and Civic Aid", for training and activities related to the clearing of landmines for humanitarian purposes, up to \$15,000,000 may be transferred to "Operation and Maintenance, Defense-Wide", to be available for the payment of travel, transportation and subsistence expenses of Department of Defense personnel incurred in carrying out humanitarian assistance activities related to the detection and clearance of landmines.

SEC. 2706. Notwithstanding any other provision of law, \$15,000,000 of the amount made available in title II, under the heading "Operation and Maintenance, Army" in Public Law 104-61 shall be paid to National Presto Industries, Inc. for the purpose of environmental restoration at the National Presto Industries, Inc. site in Eau Claire, Wisconsin, in recognition of the 1988 Agreement between the Department of the Army and National Presto Industries, Inc.

AIDS. SEC. 2707. (a)(1) Section 1177 of title 10, United States Code, relating to mandatory discharge or retirement of members of the Armed Forces infected with HIV-1 virus, is repealed.

(2) The table of sections at the beginning of chapter 59 of such title is amended by striking out the item relating to section 1177.

10 USC 1177 note. (b) Subsection (b) of section 567 of the National Defense Authorization Act for Fiscal Year 1996 is repealed.

SEC. 2708. In addition to the amounts made available in title II of Public Law 104-61, under the heading "Operation and Maintenance, Air Force", \$44,900,000 is hereby appropriated and made available for the operation and maintenance of 94 B-52H bomber aircraft in active status or in attrition reserve.

10,000,000 SEC. 2709. In addition to the amounts made available in title IV of Public Law 104-61, under the heading "Research, Development, Test and Evaluation, Navy", \$10,000,000 is hereby appropriated and made available for Shallow Water Mine Countermeasure Demonstrations, of which \$5,000,000 shall be made available for the Advanced Lightweight Influence Sweep System Development program.

(TRANSFER OF FUNDS)

<sup>1</sup> 8,000,000 SEC. 2710. Of the funds appropriated or otherwise made available in title VI of Public Law 104-61, under the heading "Defense Health Program", \$8,000,000 are transferred to and merged with funds appropriated or otherwise made available under title IV of that Act under the heading "Research, Development, Test and Evaluation, Army" and shall be available only for obligation and expenditure for advanced research into neurofibromatosis.

<sup>1</sup> Transfer.

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SEC. 2711. Of the funds available to the Department of Defense in title VI, Public Law 104-61, under the heading “Drug Interdiction and Counter-Drug Activities, Defense”, \$220,000 shall be made available only for the procurement of Kevlar vests for personal protection of counter-drug personnel: *Provided*, That notwithstanding any other provision of law, the Department is authorized to transfer these Kevlar vests to local counter-drug personnel in high crime areas.

SEC. 2712. Before the period at the end of section 8105 of Public Law 104-61, insert the following: “: *Provided*, That the Department of Defense shall release to the Department of the Air Force all such funds not later than May 31, 1996, and the Air Force shall obligate all such funds in compliance with this section not later than June 30, 1996”.

109 Stat. 673.

[Total, RDT&amp;E, \$60,000,000.]

[Total, Chapter 7, \$924,900,000.]

## CHAPTER 8

## DEPARTMENT OF TRANSPORTATION

## OFFICE OF THE SECRETARY

## PAYMENTS TO AIR CARRIERS

The first proviso under the head “Payments to Air Carriers” in Title I of the Department of Transportation and Related Agencies Appropriations Act, 1996 (Public Law 104-50), is amended to read as follows: “*Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs in excess of \$22,600,000 from the Airport and Airway Trust Fund for the Payments to Air Carriers program in fiscal year 1996:”.

109 Stat. 437.

## FEDERAL HIGHWAY ADMINISTRATION

## FEDERAL-AID HIGHWAYS

## (HIGHWAY TRUST FUND)

For the Emergency Fund authorized by 23 U.S.C. 125 to cover expenses arising from the January 1996 flooding in the Mid-Atlantic, Northeast, and Northwest States and other disasters, \$300,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the provisions of 23 U.S.C. 125(b)(1) shall not apply to projects relating to the January 1996 flooding in the Mid-Atlantic, Northeast, and Northwest States.

\$300,000,000  
President.

110 STAT.

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## FEDERAL TRANSIT ADMINISTRATION

## MASS TRANSIT CAPITAL FUND

## (LIQUIDATION OF CONTRACT AUTHORIZATION)

## (HIGHWAY TRUST FUND)

<sup>1</sup> \$375,000,000 For an additional amount for payment of obligations incurred in carrying out 49 U.S.C. 5338(b) administered by the Federal Transit Administration, \$375,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

## OTHER INDEPENDENT AGENCIES

## PANAMA CANAL COMMISSION

## PANAMA CANAL REVOLVING FUND

<sup>2</sup> 2,000,000 For an additional amount for administrative expenses, \$2,000,000, to be derived from the Panama Canal Revolving Fund.

## GENERAL PROVISIONS

SEC. 2801. Notwithstanding any other provision of law, limitations deducted pursuant to the provisions of section 310 of the Department of Transportation and Related Agencies Appropriations Act, 1996, for discretionary programs and the limitation on general operating expenses for both annual and no-year programs, not to exceed \$28,000,000 shall be available for making obligations for construction of a new Hannibal Bridge in Hannibal, Missouri: *Provided further*, That such limitation shall be restored to categories from which it was transferred before making redistribution of obligation in August of 1996 as provided by section 310 of the Act.

SEC. 2802. Notwithstanding any other provision of law, of the funds identified for distribution to the State of Vermont and the Marble Valley Regional Transit District in the matter under the heading "HIGHWAY TRUST FUND", under the heading "LIMITATION ON OBLIGATIONS", under the heading "DISCRETIONARY GRANTS" in the explanatory statement for the conference report to accompany H.R. 2002, House of Representatives report numbered 104-286, an amount not to exceed \$3,500,000 may be used for improvements to support commuter rail operations on the Clarendon-Pittsford rail line between White Hall, New York, and Rutland, Vermont.

SEC. 2803. In amending parts 119, 121, 125, or 135 of title 14, Code of Federal Regulations in a manner affecting intrastate aviation in Alaska, the Administrator of the Federal Aviation Administration shall consider the extent to which Alaska is not served by transportation modes other than aviation, and shall establish such regulatory distinctions as the Administrator deems appropriate effective through June 1, 1997.

SEC. 2804. Notwithstanding any other provision of law, \$23,909,325 funds made available under Public Law 103-122 together with \$21,534,347 funds made available under Public Law 103-331 for the "Chicago Central Area Circulator Project" shall be available only for the purposes of constructing a 5.2 mile light rail loop within the downtown Chicago business district as described

<sup>1</sup> Liquidation of contract authorization.

<sup>2</sup> Limitation on administrative expenses.

in the full funding grant agreement signed on December 15, 1994, and shall not be available for any other purposes.

CHAPTER 9

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT  
EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS AP-  
PROPRIATED TO THE PRESIDENT

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Salaries and Expenses,”  
\$3,400,000. \$3,400,000

GENERAL PROVISIONS

SEC. 2901. Title I of Public Law 104-52 is hereby amended by deleting “, not to exceed \$1,406,000,” under the heading “CUSTOMS SERVICES AT SMALL AIRPORTS”. 109 Stat. 473.

SEC. 2902. Title I of Public Law 104-52 is hereby amended by adding the following new section under the heading “ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE”:  
109 Stat. 474.

“SEC. 3. The funds provided in this Act shall be used to provide a level of service, staffing, and funding for Taxpayer Services Division operations which is not less than that provided in fiscal year 1995.”.

SEC. 2903. Title III of Public Law 104-52 is hereby amended by adding the following proviso before the last period under the heading “OFFICE OF NATIONAL DRUG CONTROL POLICY, SALARIES AND EXPENSES”: “: *Provided*, That of the amounts available to the Counter-Drug Technology Assessment Center, no less than \$1,000,000 shall be dedicated to conferences on model state drug laws”. 109 Stat. 479.

**SEC. 2904. COMPOSITION OF NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE.**

(a) IN GENERAL.—Section 637(b)(2) of the Treasury, Postal Service, and General Government Appropriations Act, 1996 (Public Law 104-52, 109 Stat. 509) is amended— 26 USC 7801  
note.

(1) by striking “thirteen” and inserting “seventeen”, and  
(2) in subparagraphs (B) and (D)—

(A) by striking “Two” and inserting “Four”, and

(B) by striking “one from private life” and inserting  
“three from private life”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Treasury, Postal Service, and General Government Appropriations Act, 1996. 26 USC 7801  
note.

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## CHAPTER 10

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND  
URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## COMMUNITY PLANNING AND DEVELOPMENT

## COMMUNITY DEVELOPMENT GRANTS

\$50,000,000 For an additional amount for “Community development grants”, \$50,000,000, to remain available until September 30, 1998, for emergency expenses and repairs related to recent Presidentially declared flood disasters, including up to \$10,000,000 which may be for rental subsidy contracts under the section 8 existing housing certificate program and the housing voucher program under section 8 of the United States Housing Act of 1937, as amended, except that such amount shall be available only for temporary housing assistance, not in excess of one year in duration, and shall not be subject to renewal: *Provided*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

President.

## FEDERAL EMERGENCY MANAGEMENT AGENCY

## DISASTER RELIEF

## (INCLUDING TRANSFER OF FUNDS)

<sup>1</sup> 104,000,000 Of the funds made available under this heading in Public Law 104-19 up to \$104,000,000 may be transferred to the Disaster Assistance Direct Loan Program Account for the cost of direct loans as authorized under section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *Provided*, That such transfer may be made to subsidize gross obligations for the principal amount of direct loans not to exceed \$119,000,000 under section 417 of the Stafford Act: *Provided further*, That any such transfer of funds shall be made only upon certification by the Director of the Federal Emergency Management Agency that all requirements of section 417 of the Stafford Act will be complied with: *Provided further*, That the entire amount of this appropriation shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

President.

<sup>1</sup> Transfer.

## GENERAL PROVISIONS

SEC. 21101. In administering funds provided in this title for domestic assistance, the Secretary of any involved department may waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or any use of the recipient of these funds, except for the requirement related to civil rights, fair housing and nondiscrimination, the environment, and labor standards, upon finding that such waiver is required to facilitate the obligation and use of such funds would not be inconsistent with the overall purpose of the statute or regulation.

SEC. 21102. No part of any appropriation contained in this title shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 21103. Notwithstanding section 106 of Public Law 104-99, sections 118, 121, and 129 of Public Law 104-99 shall remain in effect as if enacted as part of this Act.

*Ante*, p. 27, 30,  
34.

SEC. 21104. The President may make available funds for assistance activities under titles II and IV of P. L. 104-107, beginning immediately upon enactment of this Act and without regard to monthly apportionment limitations, notwithstanding the provisions of section 518A of such Act, if he determines and reports to the Congress that the effects of the restrictions contained in that section would be that the demand for family planning services would be less likely to be met and that there would be a significant increase in abortions than would otherwise be the case in the absence of such restrictions; *Provided*, That none of the funds appropriated or otherwise made available in P. L. 104-107 may be made available for obligation for the major foreign donor federation of international population assistance except through the regular notifications procedures of the Committees on Appropriations.

Reports.

This title may be cited as the "Supplemental Appropriations Act of 1996".

[*Total, title II, Supplemental Appropriations, 1996, \$2,214,714,000.*]

## TITLE III

## RESCISSIONS AND OFFSETS

## CHAPTER 1

## ENERGY AND WATER DEVELOPMENT

SUBCHAPTER A—UNITED STATES ENRICHMENT CORPORATION  
PRIVATIZATION

USEC  
Privatization Act.

**SEC. 3101. SHORT TITLE.**

This subchapter may be cited as the "USEC Privatization Act".

42 USC 2011  
note.

**SEC. 3102. DEFINITIONS.**

42 USC 2297h.

For purposes of this subchapter:

(1) The term "AVLIS" means atomic vapor laser isotope separation technology.

(2) The term "Corporation" means the United States Enrichment Corporation and, unless the context otherwise requires, includes the private corporation and any successor thereto following privatization.

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(3) The term “gaseous diffusion plants” means the Paducah Gaseous Diffusion Plant at Paducah, Kentucky and the Portsmouth Gaseous Diffusion Plant at Piketon, Ohio.

(4) The term “highly enriched uranium” means uranium enriched to 20 percent or more of the uranium-235 isotope.

(5) The term “low-enriched uranium” means uranium enriched to less than 20 percent of the uranium-235 isotope, including that which is derived from highly enriched uranium.

(6) The term “low-level radioactive waste” has the meaning given such term in section 2(9) of the Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021b(9)).

(7) The term “private corporation” means the corporation established under section 3105.

(8) The term “privatization” means the transfer of ownership of the Corporation to private investors.

(9) The term “privatization date” means the date on which 100 percent of the ownership of the Corporation has been transferred to private investors.

(10) The term “public offering” means an underwritten offering to the public of the common stock of the private corporation pursuant to section 3104.

(11) The “Russian HEU Agreement” means the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993.

(12) The term “Secretary” means the Secretary of Energy.

(13) The “Suspension Agreement” means the Agreement to Suspend the Antidumping Investigation on Uranium from the Russian Federation, as amended.

(14) The term “uranium enrichment” means the separation of uranium of a given isotopic content into 2 components, 1 having a higher percentage of a fissile isotope and 1 having a lower percentage.

42 USC 2297h-1. **SEC. 3103. SALE OF THE CORPORATION.**

(a) **AUTHORIZATION.**—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer the interest of the United States in the United States Enrichment Corporation to the private sector in a manner that provides for the long-term viability of the Corporation, provides for the continuation by the Corporation of the operation of the Department of Energy’s gaseous diffusion plants, provides for the protection of the public interest in maintaining a reliable and economical domestic source of uranium mining, enrichment and conversion services, and, to the extent not inconsistent with such purposes, secures the maximum proceeds to the United States.

(b) **PROCEEDS.**—Proceeds from the sale of the United States’ interest in the Corporation shall be deposited in the general fund of the Treasury.

42 USC 2297h-2. **SEC. 3104. METHOD OF SALE.**

(a) **AUTHORIZATION.**—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer ownership of the assets and obligations of the Corporation to the private corporation established under section 3105 (which may be consummated through a merger or consolidation effected in accordance with, and having the effects provided under, the law of the

State of incorporation of the private corporation, as if the Corporation were incorporated thereunder).

(b) **BOARD DETERMINATION.**—The Board, with the approval of the Secretary of the Treasury, shall select the method of transfer and establish terms and conditions for the transfer that will provide the maximum proceeds to the Treasury of the United States and will provide for the long-term viability of the private corporation, the continued operation of the gaseous diffusion plants, and the public interest in maintaining reliable and economical domestic uranium mining and enrichment industries.

(c) **ADEQUATE PROCEEDS.**—The Secretary of the Treasury shall not allow the privatization of the Corporation unless before the sale date the Secretary of the Treasury determines that the method of transfer will provide the maximum proceeds to the Treasury consistent with the principles set forth in section 3103(a).

(d) **APPLICATION OF SECURITIES LAWS.**—Any offering or sale of securities by the private corporation shall be subject to the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), and the provisions of the Constitution and laws of any State, territory, or possession of the United States relating to transactions in securities.

(e) **EXPENSES.**—Expenses of privatization shall be paid from Corporation revenue accounts in the United States Treasury.

**SEC. 3105. ESTABLISHMENT OF PRIVATE CORPORATION.**

42 USC 2297h-3.

(a) **INCORPORATION.**—(1) The directors of the Corporation shall establish a private for-profit corporation under the laws of a State for the purpose of receiving the assets and obligations of the Corporation at privatization and continuing the business operations of the Corporation following privatization.

(2) The directors of the Corporation may serve as incorporators of the private corporation and shall take all steps necessary to establish the private corporation, including the filing of articles of incorporation consistent with the provisions of this subchapter.

(3) Employees and officers of the Corporation (including members of the Board of Directors) acting in accordance with this section on behalf of the private corporation shall be deemed to be acting in their official capacities as employees or officers of the Corporation for purposes of section 205 of title 18, United States Code.

(b) **STATUS OF THE PRIVATE CORPORATION.**—(1) The private corporation shall not be an agency, instrumentality, or establishment of the United States, a Government corporation, or a Government-controlled corporation.

(2) Except as otherwise provided by this subchapter, financial obligations of the private corporation shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

(3) No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on actions of the private corporation.

(c) **APPLICATION OF POST-GOVERNMENT EMPLOYMENT RESTRICTIONS.**—Beginning on the privatization date, the restrictions stated in section 207 (a), (b), (c), and (d) of title 18, United States Code, shall not apply to the acts of an individual done in carrying out official duties as a director, officer, or employee of the private corporation, if the individual was an officer or employee of the

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Corporation (including a director) continuously during the 45 days prior to the privatization date.

(d) **DISSOLUTION.**—In the event that the privatization does not occur, the Corporation will provide for the dissolution of the private corporation within 1 year of the private corporation's incorporation unless the Secretary of the Treasury or his delegate, upon the Corporation's request, agrees to delay any such dissolution for an additional year.

42 USC 2297h-4.

**SEC. 3106. TRANSFERS TO THE PRIVATE CORPORATION.**

Concurrent with privatization, the Corporation shall transfer to the private corporation—

(1) the lease of the gaseous diffusion plants in accordance with section 3107,

(2) all personal property and inventories of the Corporation,

(3) all contracts, agreements, and leases under section 3108(a),

(4) the Corporation's right to purchase power from the Secretary under section 3108(b),

(5) such funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution as approved by the Secretary of the Treasury, and

Records.

(6) all of the Corporation's records, including all of the papers and other documentary materials, regardless of physical form or characteristics, made or received by the Corporation.

42 USC 2297h-5.

**SEC. 3107. LEASING OF GASEOUS DIFFUSION FACILITIES.**

(a) **TRANSFER OF LEASE.**—Concurrent with privatization, the Corporation shall transfer to the private corporation the lease of the gaseous diffusion plants and related property for the remainder of the term of such lease in accordance with the terms of such lease.

(b) **RENEWAL.**—The private corporation shall have the exclusive option to lease the gaseous diffusion plants and related property for additional periods following the expiration of the initial term of the lease.

(c) **EXCLUSION OF FACILITIES FOR PRODUCTION OF HIGHLY ENRICHED URANIUM.**—The Secretary shall not lease to the private corporation any facilities necessary for the production of highly enriched uranium but may, subject to the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), grant the Corporation access to such facilities for purposes other than the production of highly enriched uranium.

(d) **DOE RESPONSIBILITY FOR PREEXISTING CONDITIONS.**—The payment of any costs of decontamination and decommissioning, response actions, or corrective actions with respect to conditions existing before July 1, 1993, at the gaseous diffusion plants shall remain the sole responsibility of the Secretary.

(e) **ENVIRONMENTAL AUDIT.**—For purposes of subsection (d), the conditions existing before July 1, 1993, at the gaseous diffusion plants shall be determined from the environmental audit conducted pursuant to section 1403(e) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c-2(e)).

(f) **TREATMENT UNDER PRICE-ANDERSON PROVISIONS.**—Any lease executed between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, under this section shall be deemed to be a contract for purposes of section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)).

(g) **WAIVER OF EIS REQUIREMENT.**—The execution or transfer of the lease between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, shall not be considered to be a major Federal action significantly affecting the quality of the human environment for purposes of section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

**SEC. 3108. TRANSFER OF CONTRACTS.**

42 USC 2297h-6.

(a) **TRANSFER OF CONTRACTS.**—Concurrent with privatization, the Corporation shall transfer to the private corporation all contracts, agreements, and leases, including all uranium enrichment contracts, that were—

(1) transferred by the Secretary to the Corporation pursuant to section 1401(b) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c(b)), or

(2) entered into by the Corporation before the privatization date.

(b) **NONTRANSFERABLE POWER CONTRACTS.**—The Corporation shall transfer to the private corporation the right to purchase power from the Secretary under the power purchase contracts for the gaseous diffusion plants executed by the Secretary before July 1, 1993. The Secretary shall continue to receive power for the gaseous diffusion plants under such contracts and shall continue to resell such power to the private corporation at cost during the term of such contracts.

(c) **EFFECT OF TRANSFER.**—(1) Notwithstanding subsection (a), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred under subsection (a) for the performance of its obligations under such contracts, agreements, or leases during their terms. Performance of such obligations by the private corporation shall be considered performance by the United States.

(2) If a contract, agreement, or lease transferred under subsection (a) is terminated, extended, or materially amended after the privatization date—

(A) the private corporation shall be responsible for any obligation arising under such contract, agreement, or lease after any extension or material amendment, and

(B) the United States shall be responsible for any obligation arising under the contract, agreement, or lease before the termination, extension, or material amendment.

(3) The private corporation shall reimburse the United States for any amount paid by the United States under a settlement agreement entered into with the consent of the private corporation or under a judgment, if the settlement or judgment—

(A) arises out of an obligation under a contract, agreement, or lease transferred under subsection (a), and

(B) arises out of actions of the private corporation between the privatization date and the date of a termination, extension, or material amendment of such contract, agreement, or lease.

(d) **PRICING.**—The Corporation may establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profit making corporation.

**SEC. 3109. LIABILITIES.**

42 USC 2297h-7.

(a) **LIABILITY OF THE UNITED STATES.**—(1) Except as otherwise provided in this subchapter, all liabilities arising out of the oper-

ation of the uranium enrichment enterprise before July 1, 1993, shall remain the direct liabilities of the Secretary.

(2) Except as provided in subsection (a)(3) or otherwise provided in a memorandum of agreement entered into by the Corporation and the Office of Management and Budget prior to the privatization date, all liabilities arising out of the operation of the Corporation between July 1, 1993, and the privatization date shall remain the direct liabilities of the United States.

(3) All liabilities arising out of the disposal of depleted uranium generated by the Corporation between July 1, 1993, and the privatization date shall become the direct liabilities of the Secretary.

(4) Any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising from any action taken by any agent or officer of the United States in connection with the privatization of the Corporation is hereby withdrawn.

(5) To the extent that any claim against the United States under this section is of the type otherwise required by Federal statute or regulation to be presented to a Federal agency or official for adjudication or review, such claim shall be presented to the Department of Energy in accordance with procedures to be established by the Secretary. Nothing in this paragraph shall be construed to impose on the Department of Energy liability to pay any claim presented pursuant to this paragraph.

(6) The Attorney General shall represent the United States in any action seeking to impose liability under this subsection.

(b) **LIABILITY OF THE CORPORATION.**—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered in breach, default, or violation of any agreement because of the transfer of such agreement to the private corporation under section 3108 or any other action the Corporation is required to take under this subchapter.

(c) **LIABILITY OF THE PRIVATE CORPORATION.**—Except as provided in this subchapter, the private corporation shall be liable for any liabilities arising out of its operations after the privatization date.

(d) **LIABILITY OF OFFICERS AND DIRECTORS.**—(1) No officer, director, employee, or agent of the Corporation shall be liable in any civil proceeding to any party in connection with any action taken in connection with the privatization if, with respect to the subject matter of the action, suit, or proceeding, such person was acting within the scope of his employment.

(2) This subsection shall not apply to claims arising under the Securities Act of 1933 (15 U.S.C. 77a. et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a. et seq.), or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities.

42 USC 2297h-8.

**SEC. 3110. EMPLOYEE PROTECTIONS.**

(a) **CONTRACTOR EMPLOYEES.**—(1) Privatization shall not diminish the accrued, vested pension benefits of employees of the Corporation's operating contractor at the two gaseous diffusion plants.

(2) In the event that the private corporation terminates or changes the contractor at either or both of the gaseous diffusion plants, the plan sponsor or other appropriate fiduciary of the pension plan covering employees of the prior operating contractor shall

arrange for the transfer of all plan assets and liabilities relating to accrued pension benefits of such plan's participants and beneficiaries from such plant to a pension plan sponsored by the new contractor or the private corporation or a joint labor-management plan, as the case may be.

(3) In addition to any obligations arising under the National Labor Relations Act (29 U.S.C. 151 et seq.), any employer (including the private corporation if it operates a gaseous diffusion plant without a contractor or any contractor of the private corporation) at a gaseous diffusion plant shall—

(A) abide by the terms of any unexpired collective bargaining agreement covering employees in bargaining units at the plant and in effect on the privatization date until the stated expiration or termination date of the agreement; or

(B) in the event a collective bargaining agreement is not in effect upon the privatization date, have the same bargaining obligations under section 8(d) of the National Labor Relations Act (29 U.S.C. 158(d)) as it had immediately before the privatization date.

(4) If the private corporation replaces its operating contractor at a gaseous diffusion plant, the new employer (including the new contractor or the private corporation if it operates a gaseous diffusion plant without a contractor) shall—

(A) offer employment to non-management employees of the predecessor contractor to the extent that their jobs still exist or they are qualified for new jobs, and

(B) abide by the terms of the predecessor contractor's collective bargaining agreement until the agreement expires or a new agreement is signed.

(5) In the event of a plant closing or mass layoff (as such terms are defined in section 2101(a) (2) and (3) of title 29, United States Code) at either of the gaseous diffusion plants, the Secretary of Energy shall treat any adversely affected employee of an operating contractor at either plant who was an employee at such plant on July 1, 1993, as a Department of Energy employee for purposes of sections 3161 and 3162 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h-7274i).

(6)(A) The Secretary and the private corporation shall cause the post-retirement health benefits plan provider (or its successor) to continue to provide benefits for eligible persons, as described under subparagraph (B), employed by an operating contractor at either of the gaseous diffusion plants in an economically efficient manner and at substantially the same level of coverage as eligible retirees are entitled to receive on the privatization date.

(B) Persons eligible for coverage under subparagraph (A) shall be limited to:

(i) persons who retired from active employment at one of the gaseous diffusion plants on or before the privatization date as vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant; and

(ii) persons who are employed by the Corporation's operating contractor on or before the privatization date and are vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed

prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant.

(C) The Secretary shall fund the entire cost of post-retirement health benefits for persons who retired from employment with an operating contractor prior to July 1, 1993.

(D) The Secretary and the Corporation shall fund the cost of post-retirement health benefits for persons who retire from employment with an operating contractor on or after July 1, 1993, in proportion to the retired person's years and months of service at a gaseous diffusion plant under their respective management.

(7)(A) Any suit under this subsection alleging a violation of an agreement between an employer and a labor organization shall be brought in accordance with section 301 of the Labor Management Relations Act (29 U.S.C. 185).

(B) Any charge under this subsection alleging an unfair labor practice violative of section 8 of the National Labor Relations Act (29 U.S.C. 158) shall be pursued in accordance with section 10 of the National Labor Relations Act (29 U.S.C. 160).

(C) Any suit alleging a violation of any provision of this subsection, to the extent it does not allege a violation of the National Labor Relations Act, may be brought in any district court of the United States having jurisdiction over the parties, without regard to the amount in controversy or the citizenship of the parties.

(b) FORMER FEDERAL EMPLOYEES.—(1)(A) An employee of the Corporation that was subject to either the Civil Service Retirement System (referred to in this section as “CSRS”) or the Federal Employees’ Retirement System (referred to in this section as “FERS”) on the day immediately preceding the privatization date shall elect—

(i) to retain the employee's coverage under either CSRS or FERS, as applicable, in lieu of coverage by the Corporation's retirement system, or

(ii) to receive a deferred annuity or lump-sum benefit payable to a terminated employee under CSRS or FERS, as applicable.

(B) An employee that makes the election under subparagraph (A)(ii) shall have the option to transfer the balance in the employee's Thrift Savings Plan account to a defined contribution plan under the Corporation's retirement system, consistent with applicable law and the terms of the Corporation's defined contribution plan.

(2) The Corporation shall pay to the Civil Service Retirement and Disability Fund—

(A) such employee deductions and agency contributions as are required by sections 8334, 8422, and 8423 of title 5, United States Code, for those employees who elect to retain their coverage under either CSRS or FERS pursuant to paragraph (1);

(B) such additional agency contributions as are determined necessary by the Office of Personnel Management to pay, in combination with the sums under subparagraph (A), the “normal cost” (determined using dynamic assumptions) of retirement benefits for those employees who elect to retain their coverage under CSRS pursuant to paragraph (1), with the concept of “normal cost” being used consistent with generally accepted actuarial standards and principles; and

(C) such additional amounts, not to exceed two percent of the amounts under subparagraphs (A) and (B), as are deter-

mined necessary by the Office of Personnel Management to pay the cost of administering retirement benefits for employees who retire from the Corporation after the privatization date under either CSRS or FERS, for their survivors, and for survivors of employees of the Corporation who die after the privatization date (which amounts shall be available to the Office of Personnel Management as provided in section 8348(a)(1)(B) of title 5, United States Code).

(3) The Corporation shall pay to the Thrift Savings Fund such employee and agency contributions as are required by section 8432 of title 5, United States Code, for those employees who elect to retain their coverage under FERS pursuant to paragraph (1).

(4) Any employee of the Corporation who was subject to the Federal Employee Health Benefits Program (referred to in this section as "FEHBP") on the day immediately preceding the privatization date and who elects to retain coverage under either CSRS or FERS pursuant to paragraph (1) shall have the option to receive health benefits from a health benefit plan established by the Corporation or to continue without interruption coverage under the FEHBP, in lieu of coverage by the Corporation's health benefit system.

(5) The Corporation shall pay to the Employees Health Benefits Fund—

(A) such employee deductions and agency contributions as are required by section 8906 (a)–(f) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4); and

(B) such amounts as are determined necessary by the Office of Personnel Management under paragraph (6) to reimburse the Office of Personnel Management for contributions under section 8906(g)(1) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4).

(6) The amounts required under paragraph (5)(B) shall pay the Government contributions for retired employees who retire from the Corporation after the privatization date under either CSRS or FERS, for survivors of such retired employees, and for survivors of employees of the Corporation who die after the privatization date, with said amounts prorated to reflect only that portion of the total service of such employees and retired persons that was performed for the Corporation after the privatization date.

**SEC. 3111. OWNERSHIP LIMITATIONS.**

42 USC 2297h-9.

(a) **SECURITIES LIMITATIONS.**—No director, officer, or employee of the Corporation may acquire any securities, or any rights to acquire any securities of the private corporation on terms more favorable than those offered to the general public—

(1) in a public offering designed to transfer ownership of the Corporation to private investors,

(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

(3) before the election of the directors of the private corporation.

(b) **OWNERSHIP LIMITATION.**—Immediately following the consummation of the transaction or series of transactions pursuant to which 100 percent of the ownership of the Corporation is transferred to private investors, and for a period of three years thereafter,

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no person may acquire, directly or indirectly, beneficial ownership of securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation. The foregoing limitation shall not apply to—

- (1) any employee stock ownership plan of the Corporation,
- (2) members of the underwriting syndicate purchasing shares in stabilization transactions in connection with the privatization, or
- (3) in the case of shares beneficially held in the ordinary course of business for others, any commercial bank, broker-dealer, or clearing agency.

42 USC 2297h-10.

**SEC. 3112. URANIUM TRANSFERS AND SALES.**

(a) **TRANSFERS AND SALES BY THE SECRETARY.**—The Secretary shall not provide enrichment services or transfer or sell any uranium (including natural uranium concentrates, natural uranium hexafluoride, or enriched uranium in any form) to any person except as consistent with this section.

(b) **RUSSIAN HEU.**—(1) On or before December 31, 1996, the United States Executive Agent under the Russian HEU Agreement shall transfer to the Secretary without charge title to an amount of uranium hexafluoride equivalent to the natural uranium component of low-enriched uranium derived from at least 18 metric tons of highly enriched uranium purchased from the Russian Executive Agent under the Russian HEU Agreement. The quantity of such uranium hexafluoride delivered to the Secretary shall be based on a tails assay of 0.30 U<sup>235</sup>. Uranium hexafluoride transferred to the Secretary pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(2) Within 7 years of the date of enactment of this Act, the Secretary shall sell, and receive payment for, the uranium hexafluoride transferred to the Secretary pursuant to paragraph (1). Such uranium hexafluoride shall be sold—

(A) at any time for use in the United States for the purpose of overfeeding;

(B) at any time for end use outside the United States;

(C) in 1995 and 1996 to the Russian Executive Agent at the purchase price for use in matched sales pursuant to the Suspension Agreement; or,

(D) in calendar year 2001 for consumption by end users in the United States not prior to January 1, 2002, in volumes not to exceed 3,000,000 pounds U<sub>3</sub>O<sub>8</sub> equivalent per year.

(3) With respect to all enriched uranium delivered to the United States Executive Agent under the Russian HEU Agreement on or after January 1, 1997, the United States Executive Agent shall, upon request of the Russian Executive Agent, enter into an agreement to deliver concurrently to the Russian Executive Agent an amount of uranium hexafluoride equivalent to the natural uranium component of such uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. The quantity of such uranium hexafluoride delivered to the Russian Executive Agent shall be based on a tails assay of 0.30 U<sup>235</sup>. Title to uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall transfer to the Russian Executive Agent upon delivery of such material to the Russian Executive Agent,

with such delivery to take place at a North American facility designated by the Russian Executive Agent. Uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall be deemed under U.S. law for all purposes to be of Russian origin. Such uranium hexafluoride may be sold to any person or entity for delivery and use in the United States only as permitted in subsections (b)(5), (b)(6) and (b)(7) of this section.

(4) In the event that the Russian Executive Agent does not exercise its right to enter into an agreement to take delivery of the natural uranium component of any low-enriched uranium, as contemplated in paragraph (3), within 90 days of the date such low-enriched uranium is delivered to the United States Executive Agent, or upon request of the Russian Executive Agent, then the United States Executive Agent shall engage an independent entity through a competitive selection process to auction an amount of uranium hexafluoride or U<sub>3</sub>O<sub>8</sub> (in the event that the conversion component of such hexafluoride has previously been sold) equivalent to the natural uranium component of such low-enriched uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. Such independent entity shall sell such uranium hexafluoride in one or more lots to any person or entity to maximize the proceeds from such sales, for disposition consistent with the limitations set forth in this subsection. The independent entity shall pay to the Russian Executive Agent the proceeds of any such auction less all reasonable transaction and other administrative costs. The quantity of such uranium hexafluoride auctioned shall be based on a tails assay of 0.30 U<sup>235</sup>. Title to uranium hexafluoride auctioned pursuant to this paragraph shall transfer to the buyer of such material upon delivery of such material to the buyer. Uranium hexafluoride auctioned pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(5) Except as provided in paragraphs (6) and (7), uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4), may not be delivered for consumption by end users in the United States either directly or indirectly prior to January 1, 1998, and thereafter only in accordance with the following schedule:

<b>Annual Maximum Deliveries to End Users</b>	
<b>Year:</b>	<b>(millions lbs. U<sub>3</sub>O<sub>8</sub> equivalent)</b>
1998 .....	2
1999 .....	4
2000 .....	6
2001 .....	8
2002 .....	10
2003 .....	12
2004 .....	14
2005 .....	16
2006 .....	17
2007 .....	18
2008 .....	19
2009 and each year thereafter .....	20.

(6) Uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4) may be sold at any time as Russian-origin natural uranium

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in a matched sale pursuant to the Suspension Agreement, and in such case shall not be counted against the annual maximum deliveries set forth in paragraph (5).

(7) Uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4) may be sold at any time for use in the United States for the purpose of overfeeding in the operations of enrichment facilities.

(8) Nothing in this subsection (b) shall restrict the sale of the conversion component of such uranium hexafluoride.

(9) The Secretary of Commerce shall have responsibility for the administration and enforcement of the limitations set forth in this subsection. The Secretary of Commerce may require any person to provide any certifications, information, or take any action that may be necessary to enforce these limitations. The United States Customs Service shall maintain and provide any information required by the Secretary of Commerce and shall take any action requested by the Secretary of Commerce which is necessary for the administration and enforcement of the uranium delivery limitations set forth in this section.

President.  
Reports.

(10) The President shall monitor the actions of the United States Executive Agent under the Russian HEU Agreement and shall report to the Congress not later than December 31 of each year on the effect the low-enriched uranium delivered under the Russian HEU Agreement is having on the domestic uranium mining, conversion, and enrichment industries, and the operation of the gaseous diffusion plants. Such report shall include a description of actions taken or proposed to be taken by the President to prevent or mitigate any material adverse impact on such industries or any loss of employment at the gaseous diffusion plants as a result of the Russian HEU Agreement.

(c) TRANSFERS TO THE CORPORATION.—(1) The Secretary shall transfer to the Corporation without charge up to 50 metric tons of enriched uranium and up to 7,000 metric tons of natural uranium from the Department of Energy's stockpile, subject to the restrictions in subsection (c)(2).

(2) The Corporation shall not deliver for commercial end use in the United States—

(A) any of the uranium transferred under this subsection before January 1, 1998;

(B) more than 10 percent of the uranium (by uranium hexafluoride equivalent content) transferred under this subsection or more than 4,000,000 pounds, whichever is less, in any calendar year after 1997; or

(C) more than 800,000 separative work units contained in low-enriched uranium transferred under this subsection in any calendar year.

(d) INVENTORY SALES.—(1) In addition to the transfers authorized under subsections (c) and (e), the Secretary may, from time to time, sell natural and low-enriched uranium (including low-enriched uranium derived from highly enriched uranium) from the Department of Energy's stockpile.

(2) Except as provided in subsections (b), (c), and (e), no sale or transfer of natural or low-enriched uranium shall be made unless—

President.

(A) the President determines that the material is not necessary for national security needs,

(B) the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement, and

(C) the price paid to the Secretary will not be less than the fair market value of the material.

(e) GOVERNMENT TRANSFERS.—Notwithstanding subsection (d)(2), the Secretary may transfer or sell enriched uranium—

(1) to a Federal agency if the material is transferred for the use of the receiving agency without any resale or transfer to another entity and the material does not meet commercial specifications;

(2) to any person for national security purposes, as determined by the Secretary; or

(3) to any State or local agency or nonprofit, charitable, or educational institution for use other than the generation of electricity for commercial use.

(f) SAVINGS PROVISION.—Nothing in this subchapter shall be read to modify the terms of the Russian HEU Agreement.

**SEC. 3113. LOW-LEVEL WASTE.**

42 USC 2297h-11.

(a) RESPONSIBILITY OF DOE.—(1) The Secretary, at the request of the generator, shall accept for disposal low-level radioactive waste, including depleted uranium if it were ultimately determined to be low-level radioactive waste, generated by—

(A) the Corporation as a result of the operations of the gaseous diffusion plants or as a result of the treatment of such wastes at a location other than the gaseous diffusion plants, or

(B) any person licensed by the Nuclear Regulatory Commission to operate a uranium enrichment facility under sections 53, 63, and 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2073, 2093, and 2243).

(2) Except as provided in paragraph (3), the generator shall reimburse the Secretary for the disposal of low-level radioactive waste pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs, but in no event more than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for disposal of such waste.

(3) In the event depleted uranium were ultimately determined to be low-level radioactive waste, the generator shall reimburse the Secretary for the disposal of depleted uranium pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs.

(b) AGREEMENTS WITH OTHER PERSONS.—The generator may also enter into agreements for the disposal of low-level radioactive waste subject to subsection (a) with any person other than the Secretary that is authorized by applicable laws and regulations to dispose of such wastes.

(c) STATE OR INTERSTATE COMPACTS.—Notwithstanding any other provision of law, no State or interstate compact shall be liable for the treatment, storage, or disposal of any low-level radioactive waste (including mixed waste) attributable to the operation, decontamination, and decommissioning of any uranium enrichment facility.

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42 USC 2297h-12.

**SEC. 3114. AVLIS.**

(a) **EXCLUSIVE RIGHT TO COMMERCIALIZE.**—The Corporation shall have the exclusive commercial right to deploy and use any AVLIS patents, processes, and technical information owned or controlled by the Government, upon completion of a royalty agreement with the Secretary.

(b) **TRANSFER OF RELATED PROPERTY TO CORPORATION.**—

President.

(1) **IN GENERAL.**—To the extent requested by the Corporation and subject to the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.), the President shall transfer without charge to the Corporation all of the right, title, or interest in and to property owned by the United States under control or custody of the Secretary that is directly related to and materially useful in the performance of the Corporation's purposes regarding AVLIS and alternative technologies for uranium enrichment, including—

(A) facilities, equipment, and materials for research, development, and demonstration activities; and

(B) all other facilities, equipment, materials, processes, patents, technical information of any kind, contracts, agreements, and leases.

(2) **EXCEPTION.**—Facilities, real estate, improvements, and equipment related to the gaseous diffusion, and gas centrifuge, uranium enrichment programs of the Secretary shall not transfer under paragraph (1)(B).

(3) **EXPIRATION OF TRANSFER AUTHORITY.**—The President's authority to transfer property under this subsection shall expire upon the privatization date.

(c) **LIABILITY FOR PATENT AND RELATED CLAIMS.**—With respect to any right, title, or interest provided to the Corporation under subsection (a) or (b), the Corporation shall have sole liability for any payments made or awards under section 157b.(3) of the Atomic Energy Act of 1954 (42 U.S.C. 2187(b)(3)), or any settlements or judgments involving claims for alleged patent infringement. Any royalty agreement under subsection (a) of this section shall provide for a reduction of royalty payments to the Secretary to offset any payments, awards, settlements, or judgments under this subsection.

42 USC 2297h-13.

**SEC. 3115. APPLICATION OF CERTAIN LAWS.**

(a) **OSHA.**—(1) As of the privatization date, the private corporation shall be subject to and comply with the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

Contracts.

(2) The Nuclear Regulatory Commission and the Occupational Safety and Health Administration shall, within 90 days after the date of enactment of this Act, enter into a memorandum of agreement to govern the exercise of their authority over occupational safety and health hazards at the gaseous diffusion plants, including inspection, investigation, enforcement, and rulemaking relating to such hazards.

(b) **ANTITRUST LAWS.**—For purposes of the antitrust laws, the performance by the private corporation of a "matched import" contract under the Suspension Agreement shall be considered to have occurred prior to the privatization date, if at the time of privatization, such contract had been agreed to by the parties in all material terms and confirmed by the Secretary of Commerce under the Suspension Agreement.

(c) ENERGY REORGANIZATION ACT REQUIREMENTS.—(1) The private corporation and its contractors and subcontractors shall be subject to the provisions of section 211 of the Energy Reorganization Act of 1974 (42 U.S.C. 5851) to the same extent as an employer subject to such section.

(2) With respect to the operation of the facilities leased by the private corporation, section 206 of the Energy Reorganization Act of 1974 (42 U.S.C. 5846) shall apply to the directors and officers of the private corporation.

**SEC. 3116. AMENDMENTS TO THE ATOMIC ENERGY ACT.**

(a) REPEAL.—(1) Chapters 22 through 26 of the Atomic Energy Act of 1954 (42 U.S.C. 2297–2297e–7) are repealed as of the privatization date.

(2) The table of contents of such Act is amended as of the privatization date by striking the items referring to sections repealed by paragraph (1).

(b) NRC LICENSING.—(1) Section 11v. of the Atomic Energy Act of 1954 (42 U.S.C. 2014v.) is amended by striking “or the construction and operation of a uranium enrichment facility using Atomic Vapor Laser Isotope Separation technology”.

(2) Section 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2243) is amended by adding at the end the following:

“(f) LIMITATION.—No license or certificate of compliance may be issued to the United States Enrichment Corporation or its successor under this section or sections 53, 63, or 1701, if the Commission determines that—

“(1) the Corporation is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government; or

“(2) the issuance of such a license or certificate of compliance would be inimical to—

“(A) the common defense and security of the United States; or

“(B) the maintenance of a reliable and economical domestic source of enrichment services.”.

(3) Section 1701(c)(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f(c)(2)) is amended to read as follows:

“(2) PERIODIC APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1) periodically, as determined by the Commission, but not less than every 5 years. The Commission shall review any such application and any determination made under subsection (b)(2) shall be based on the results of any such review.”.

(4) Section 1702(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f–1(a)) is amended—

(1) by striking “other than” and inserting “including”, and

(2) by striking “sections 53 and 63” and inserting “sections 53, 63, and 193”.

(c) JUDICIAL REVIEW OF NRC ACTIONS.—Section 189b. of the Atomic Energy Act of 1954 (42 U.S.C. 2239(b)) is amended to read as follows:

“b. The following Commission actions shall be subject to judicial review in the manner prescribed in chapter 158 of title 28, United States Code, and chapter 7 of title 5, United States Code:

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“(1) Any final order entered in any proceeding of the kind specified in subsection (a).

“(2) Any final order allowing or prohibiting a facility to begin operating under a combined construction and operating license.

“(3) Any final order establishing by regulation standards to govern the Department of Energy’s gaseous diffusion uranium enrichment plants, including any such facilities leased to a corporation established under the USEC Privatization Act.

“(4) Any final determination under section 1701(c) relating to whether the gaseous diffusion plants, including any such facilities leased to a corporation established under the USEC Privatization Act, are in compliance with the Commission’s standards governing the gaseous diffusion plants and all applicable laws.”.

(d) CIVIL PENALTIES.—Section 234 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2282(a) is amended by—

(1) striking “any licensing provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109” and inserting: “any licensing or certification provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, 109, or 1701”; and

(2) by striking “any license issued thereunder” and inserting: “any license or certification issued thereunder”.

42 USC 2297  
note.

(e) REFERENCES TO THE CORPORATION.—Following the privatization date, all references in the Atomic Energy Act of 1954 to the United States Enrichment Corporation shall be deemed to be references to the private corporation.

**SEC. 3117. AMENDMENTS TO OTHER LAWS.**

(a) DEFINITION OF GOVERNMENT CORPORATION.—As of the privatization date, section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N) as added by section 902(b) of Public Law 102-486.

(b) DEFINITION OF THE CORPORATION.—Section 1018(1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b-7(1)) is amended by inserting “or its successor” before the period.

SUBCHAPTER B

16 USC 838l.

**SEC. 3201. BONNEVILLE POWER ADMINISTRATION REFINANCING.**

(a) DEFINITIONS.—

For the purposes of this section—

(1) “Administrator” means the Administrator of the Bonneville Power Administration;

(2) “capital investment” means a capitalized cost funded by Federal appropriations that—

(A) is for a project, facility, or separable unit or feature of a project or facility;

(B) is a cost for which the Administrator is required by law to establish rates to repay to the United States Treasury through the sale of electric power, transmission, or other services;

(C) excludes a Federal irrigation investment; and

(D) excludes an investment financed by the current revenues of the Administrator or by bonds issued and sold, or authorized to be issued and sold, by the

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Administrator under section 13 of the Federal Columbia River Transmission System Act (16 U.S.C. 838k);

(3) “new capital investment” means a capital investment for a project, facility, or separable unit or feature of a project or facility, placed in service after September 30, 1996;

(4) “old capital investment” means a capital investment the capitalized cost of which—

(A) was incurred, but not repaid, before October 1, 1996, and

(B) was for a project, facility, or separable unit or feature of a project or facility, placed in service before October 1, 1996;

(5) “repayment date” means the end of the period within which the Administrator’s rates are to assure the repayment of the principal amount of a capital investment; and

(6) “Treasury rate” means—

(A) for an old capital investment, a rate determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding October 1, 1996, on outstanding interest-bearing obligations of the United States with periods to maturity comparable to the period between October 1, 1996, and the repayment date for the old capital investment; and

(B) for a new capital investment, a rate determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding the beginning of the fiscal year in which the related project, facility, or separable unit or feature is placed in service, on outstanding interest-bearing obligations of the United States with periods to maturity comparable to the period between the beginning of the fiscal year and the repayment date for the new capital investment.

(b) NEW PRINCIPAL AMOUNTS.—

(1) PRINCIPAL AMOUNT.—Effective October 1, 1996, an old capital investment has a new principal amount that is the sum of—

Effective date.

(A) the present value of the old payment amounts for the old capital investment, calculated using a discount rate equal to the Treasury rate for the old capital investment; and

(B) an amount equal to \$100,000,000 multiplied by a fraction whose numerator is the principal amount of the old payment amounts for the old capital investment and whose denominator is the sum of the principal amounts of the old payment amounts for all old capital investments.

(2) DETERMINATION.—With the approval of the Secretary of the Treasury based solely on consistency with this section, the Administrator shall determine the new principal amounts under subsection (b) and the assignment of interest rates to the new principal amounts under subsection (c).

(3) OLD PAYMENT AMOUNTS.—For the purposes of this subsection, “old payment amounts” means, for an old capital investment, the annual interest and principal that the Administrator

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would have paid to the United States Treasury from October 1, 1996, if this section had not been enacted, assuming that—

(A) the principal were repaid—

(i) on the repayment date the Administrator assigned before October 1, 1994, to the old capital investment, or

(ii) with respect to an old capital investment for which the Administrator has not assigned a repayment date before October 1, 1994, on a repayment date the Administrator shall assign to the old capital investment in accordance with paragraph 10(d)(1) of the version of Department of Energy Order RA 6120.2 in effect on October 1, 1994; and

(B) interest were paid—

(i) at the interest rate the Administrator assigned before October 1, 1994, to the old capital investment, or

(ii) with respect to an old capital investment for which the Administrator has not assigned an interest rate before October 1, 1994, at a rate determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding the beginning of the fiscal year in which the related project, facility, or separable unit or feature is placed in service, on outstanding interest-bearing obligations of the United States with periods to maturity comparable to the period between the beginning of the fiscal year and the repayment date for the old capital investment.

(c) INTEREST RATE FOR NEW PRINCIPAL AMOUNTS.—

As of October 1, 1996, the unpaid balance on the new principal amount established for an old capital investment under subsection (b) bears interest annually at the Treasury rate for the old capital investment until the earlier of the date that the new principal amount is repaid or the repayment date for the new principal amount.

(d) REPAYMENT DATES.—

As of October 1, 1996, the repayment date for the new principal amount established for an old capital investment under subsection (b) is no earlier than the repayment date for the old capital investment assumed in subsection (b)(3)(A).

(e) PREPAYMENT LIMITATIONS.—

During the period October 1, 1996, through September 30, 2001, the total new principal amounts of old capital investments, as established under subsection (b), that the Administrator may pay before their respective repayment dates shall not exceed \$100,000,000.

(f) INTEREST RATES FOR NEW CAPITAL INVESTMENTS DURING CONSTRUCTION.—

(1) NEW CAPITAL INVESTMENT.—The principal amount of a new capital investment includes interest in each fiscal year of construction of the related project, facility, or separable unit or feature at a rate equal to the one-year rate for the fiscal year on the sum of—

(A) construction expenditures that were made from the date construction commenced through the end of the fiscal year, and

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(B) accrued interest during construction.

(2) PAYMENT.—The Administrator is not required to pay, during construction of the project, facility, or separable unit or feature, the interest calculated, accrued, and capitalized under subsection (f)(1).

(3) ONE-YEAR RATE.—For the purposes of this section, “one-year rate” for a fiscal year means a rate determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding the beginning of the fiscal year, on outstanding interest-bearing obligations of the United States with periods to maturity of approximately one year.

(g) INTEREST RATES FOR NEW CAPITAL INVESTMENTS.—

The unpaid balance on the principal amount of a new capital investment bears interest at the Treasury rate for the new capital investment from the date the related project, facility, or separable unit or feature is placed in service until the earlier of the date the new capital investment is repaid or the repayment date for the new capital investment.

(h) CREDITS TO ADMINISTRATOR’S REPAYMENT TO THE UNITED STATES TREASURY.—

The Confederated Tribe of the Colville Reservation Grand Coulee Dam Settlement Act (Public Law No. 103-436; 108 Stat. 4577) is amended by striking section 6 and inserting the following:

**“SEC. 6. CREDITS TO ADMINISTRATOR’S REPAYMENT TO THE UNITED STATES TREASURY.**

“So long as the Administrator makes annual payments to the tribes under the settlement agreement, the Administrator shall apply against amounts otherwise payable by the Administrator to the United States Treasury a credit that reduces the Administrator’s payment, in the amount and for each fiscal year as follows: \$15,860,000 in fiscal year 1997; \$16,490,000 in fiscal year 1998; \$17,150,000 in fiscal year 1999; \$17,840,000 in fiscal year 2000; \$18,550,000 in fiscal year 2001; and \$4,600,000 in each succeeding fiscal year.”.

(i) CONTRACT PROVISIONS.—

In each contract of the Administrator that provides for the Administrator to sell electric power, transmission, or related services, and that is in effect after September 30, 1996, the Administrator shall offer to include, or as the case may be, shall offer to amend to include, provisions specifying that after September 30, 1996—

(1) the Administrator shall establish rates and charges on the basis that—

(A) the principal amount of an old capital investment shall be no greater than the new principal amount established under subsection (b);

(B) the interest rate applicable to the unpaid balance of the new principal amount of an old capital investment shall be no greater than the interest rate established under subsection (c);

(C) any payment of principal of an old capital investment shall reduce the outstanding principal balance of the old capital investment in the amount of the payment at the time the payment is tendered; and

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(D) any payment of interest on the unpaid balance of the new principal amount of an old capital investment shall be a credit against the appropriate interest account in the amount of the payment at the time the payment is tendered;

(2) apart from charges necessary to repay the new principal amount of an old capital investment as established under subsection (b) and to pay the interest on the principal amount under subsection (c), no amount may be charged for return to the United States Treasury as repayment for or return on an old capital investment, whether by way of rate, rent, lease payment, assessment, user charge, or any other fee;

(3) amounts provided under section 1304 of title 31, United States Code, shall be available to pay, and shall be the sole source for payment of, a judgment against or settlement by the Administrator or the United States on a claim for a breach of the contract provisions required by this Part; and

(4) the contract provisions specified in this Part do not—

(A) preclude the Administrator from recovering, through rates or other means, any tax that is generally imposed on electric utilities in the United States, or

(B) affect the Administrator's authority under applicable law, including section 7(g) of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839e(g)), to—

(i) allocate costs and benefits, including but not limited to fish and wildlife costs, to rates or resources, or

(ii) design rates.

(j) SAVINGS PROVISIONS.—

(1) REPAYMENT.—This subchapter does not affect the obligation of the Administrator to repay the principal associated with each capital investment, and to pay interest on the principal, only from the “Administrator's net proceeds,” as defined in section 13 of the Federal Columbia River Transmission System Act (16 U.S.C. 838k(b)).

(2) PAYMENT OF CAPITAL INVESTMENT.—Except as provided in subsection (e), this section does not affect the authority of the Administrator to pay all or a portion of the principal amount associated with a capital investment before the repayment date for the principal amount.

## CHAPTER 2

### FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

#### EXPORT AND INVESTMENT ASSISTANCE

#### EXPORT-IMPORT BANK OF THE UNITED STATES

#### SUBSIDY APPROPRIATION

#### (RESCISSION)

Of the unobligated balances available under this heading  
 —\$42,000,000 \$42,000,000 are rescinded.  
 (rescission)

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## CHAPTER 3

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

## DEPARTMENT OF ENERGY

## STRATEGIC PETROLEUM RESERVE

Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), the Secretary of Energy shall draw down and sell in fiscal year 1996, \$227,000,000 worth of Strategic Petroleum Reserve oil from the Weeks Island site.

– \$227,000,000  
(offset)

## CHAPTER 4

## DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## ADMINISTRATION FOR CHILDREN AND FAMILIES

## JOB OPPORTUNITIES AND BASIC SKILLS

## (RESCISSION)

Of the funds made available under this heading elsewhere in this Act, there is rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year.

– 10,000,000  
(offset)

Section 403(k)(3)(F) of the Social Security Act (as amended by Public Law 100-485) is amended by adding: “reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be \$1,000,000,000 for the purpose of determining the amount of the payment under subsection (1) to which each State is entitled).”.

42 USC 603.

## DEPARTMENT OF EDUCATION

## STUDENT FINANCIAL ASSISTANCE

Notwithstanding any other provision of this Act, the first and third dollar amounts provided in Title I of this Act under the heading “Student Financial Assistance” are hereby reduced by \$53,446,000.

[Net total, Chapter 4, – \$63,446,000.]

– 53,446,000  
(rescission)

## CHAPTER 5

## MILITARY CONSTRUCTION

## (RESCISSIONS)

Of the funds provided in Public Law 104-32, the Military Construction Appropriations Act, 1996, the following funds are hereby rescinded from the following accounts in the specified amounts:

Military Construction, Army, \$6,385,000;

– 6,385,000  
(rescission)

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- \$6,385,000 Military Construction, Navy, \$6,385,000;  
 - 6,385,000 Military Construction, Air Force, \$6,385,000; and  
 - 18,345,000 Military Construction, Defense-wide, \$18,345,000.  
 [Net total, Chapter 5, - \$37,500,000.]

## CHAPTER 6

## DEPARTMENT OF DEFENSE—MILITARY PROCUREMENT

## MISSILE PROCUREMENT, AIR FORCE

## (RESCISSION)

- 310,000,000 Of the funds made available under this heading in Public  
 Law 103-335, \$310,000,000 are rescinded.

## OTHER PROCUREMENT, AIR FORCE

## (RESCISSION)

- 265,000,000 Of the funds made available under this heading in Public  
 Law 103-335, \$265,000,000 are rescinded.  
 [Net total, Procurement, - \$575,000,000.]

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

## (RESCISSION)

- 19,500,000 Of the funds made available under this heading in Public  
 Law 104-61, \$19,500,000 are rescinded: *Provided*, That this reduction shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within this appropriation account.

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

## (RESCISSION)

- 45,000,000 Of the funds made available under this heading in Public  
 Law 104-61, \$45,000,000 are rescinded: *Provided*, That this reduction shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within this appropriation account.

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

## (RESCISSIONS)

- 245,000,000 Of the funds made available under this heading in Public  
 Law 103-335, \$245,000,000 are rescinded.

- 69,800,000 Of the funds made available under this heading in Public  
 Law 104-61, \$69,800,000 are rescinded: *Provided*, That this reduction shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within this appropriation account.  
 [Total, - \$314,800,000.]

Note: All extensions are rescissions.

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RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE  
(RESCISSION)

Of the funds made available under this heading in Public Law 104-61, \$40,600,000 are rescinded: *Provided*, That this reduction shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within this appropriation account: *Provided further*, That no reduction may be taken against the funds made available to the Department of Defense for Ballistic Missile Defense.

-\$40,600,000

[*Net total, RDT&E, - \$419,900,000.*]  
[*Net total, Chapter 6, - \$994,900,000.*]

CHAPTER 7

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the available contract authority balances under this account, \$664,000,000 are rescinded.

-664,000,000

FEDERAL HIGHWAY ADMINISTRATION

HIGHWAY-RELATED SAFETY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the available contract authority balances under this account, \$9,000,000 are rescinded.

-9,000,000

MOTOR CARRIER SAFETY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the available contract authority balances under this account, \$33,000,000 are rescinded.

-33,000,000

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

HIGHWAY TRAFFIC SAFETY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the available contract authority balances under this account, \$56,000,000 are rescinded.

-56,000,000

[*Net total, Chapter 7, - \$762,000,000.*]

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Note: All extensions are rescissions.

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## CHAPTER 8

## TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

## INDEPENDENT AGENCIES

## GENERAL SERVICES ADMINISTRATION

## FEDERAL BUILDINGS FUND

## LIMITATIONS ON AVAILABILITY OF REVENUE

## (RESCISSION)

Of the funds made available for installment acquisition payments under this heading in Public Law 104-52, \$3,400,000 are rescinded: *Provided*, That the aggregate amount made available to the Fund shall be \$5,062,749,000.

-\$3,400,000  
(*rescission*)

## CHAPTER 9

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND  
URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

## FEDERAL EMERGENCY MANAGEMENT AGENCY

## DISASTER RELIEF

Of the funds made available under this heading and under the heading "Disaster relief emergency contingency fund" in Public Law 104-19, \$1,000,000,000 are rescinded.

-1,000,000,000  
(*rescission*)

## CHAPTER 10

## DEBT COLLECTION IMPROVEMENTS

Debt Collection  
Improvement Act  
of 1996.  
31 USC 3701  
note.  
Effective date.  
31 USC 3322  
note.  
Applicability.  
31 USC 3716  
note.

**SEC. 31001. DEBT COLLECTION IMPROVEMENT ACT OF 1996.**

(a)(1) This section may be cited as the "Debt Collection Improvement Act of 1996".

(2)(A) IN GENERAL.—The provisions of this section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(B) OFFSETS FROM SOCIAL SECURITY PAYMENTS, ETC.—Subparagraph (A) of section 3716(c)(3) of title 31, United States Code (as added by subsection (d)(2) of this section), shall apply only to payments made after the date which is 4 months after the date of the enactment of this Act.

31 USC 3701  
note.

(b) The purposes of this section are the following:

(1) To maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.

(2) To minimize the costs of debt collection by consolidating related functions and activities and utilizing interagency teams.

(3) To reduce losses arising from debt management activities by requiring proper screening of potential borrowers, aggressive monitoring of all accounts, and sharing of information within and among Federal agencies.

(4) To ensure that the public is fully informed of the Federal Government's debt collection policies and that debtors are cog-

<sup>1</sup> - 340,000,000

<sup>1</sup> Estimate of offsets.

nizant of their financial obligations to repay amounts owed to the Federal Government.

(5) To ensure that debtors have all appropriate due process rights, including the ability to verify, challenge, and compromise claims, and access to administrative appeals procedures which are both reasonable and protect the interests of the United States.

(6) To encourage agencies, when appropriate, to sell delinquent debt, particularly debts with underlying collateral.

(7) To rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies.

(c) Chapter 37 of title 31, United States Code, is amended—

(1) in each of sections 3711, 3716, 3717, and 3718, by striking “the head of an executive or legislative agency” each place it appears and inserting “the head of an executive, judicial, or legislative agency”; and

(2) by amending section 3701(a)(4) to read as follows:

“(4) ‘executive, judicial, or legislative agency’ means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of Government, including government corporations.”.

(d)(1) PERSONS SUBJECT TO ADMINISTRATIVE OFFSET.—Section 3701(c) of title 31, United States Code, is amended to read as follows:

“(c) In sections 3716 and 3717 of this title, the term ‘person’ does not include an agency of the United States Government.”.

(2) REQUIREMENTS AND PROCEDURES.—Section 3716 of title 31, United States Code, is amended—

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

“(b) Before collecting a claim by administrative offset, the head of an executive, judicial, or legislative agency must either—

“(1) adopt, without change, regulations on collecting by administrative offset promulgated by the Department of Justice, the General Accounting Office, or the Department of the Treasury; or

“(2) prescribe regulations on collecting by administrative offset consistent with the regulations referred to in paragraph (1).”;

(B) by amending subsection (c)(2) to read as follows:

“(2) when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.”;

(C) by redesignating subsection (c) as subsection (e); and

(D) by inserting after subsection (b) the following new subsections:

“(c)(1)(A) Except as otherwise provided in this subsection, a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, or any other government corporation, or any disbursing official of the United States designated by the Secretary of the Treasury, shall offset at least annually the amount of a payment which a payment certifying agency has certified to the disbursing official for disbursement, by an amount equal to the amount of a claim which a creditor agency has certified to the Secretary of the Treasury pursuant to this subsection.

“(B) An agency that designates disbursing officials pursuant to section 3321(c) of this title is not required to certify claims

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arising out of its operations to the Secretary of the Treasury before such agency's disbursing officials offset such claims.

“(C) Payments certified by the Department of Education under a program administered by the Secretary of Education under title IV of the Higher Education Act of 1965 shall not be subject to administrative offset under this subsection.

“(2) Neither the disbursing official nor the payment certifying agency shall be liable—

“(A) for the amount of the administrative offset on the basis that the underlying obligation, represented by the payment before the administrative offset was taken, was not satisfied; or

“(B) for failure to provide timely notice under paragraph (8).

“(3)(A)(i) Notwithstanding any other provision of law (including sections 207 and 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public Law 91-173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m)), except as provided in clause (ii), all payments due to an individual under—

“(I) the Social Security Act,

“(II) part B of the Black Lung Benefits Act, or

“(III) any law administered by the Railroad Retirement Board (other than payments that such Board determines to be tier 2 benefits),

shall be subject to offset under this section.

“(ii) An amount of \$9,000 which a debtor may receive under Federal benefit programs cited under clause (i) within a 12-month period shall be exempt from offset under this subsection. In applying the \$9,000 exemption, the disbursing official shall—

“(I) reduce the \$9,000 exemption amount for the 12-month period by the amount of all Federal benefit payments made during such 12-month period which are not subject to offset under this subsection; and

“(II) apply a prorated amount of the exemption to each periodic benefit payment to be made to the debtor during the applicable 12-month period.

For purposes of the preceding sentence, the amount of a periodic benefit payment shall be the amount after any reduction or deduction required under the laws authorizing the program under which such payment is authorized to be made (including any reduction or deduction to recover any overpayment under such program).

“(B) The Secretary of the Treasury shall exempt from administrative offset under this subsection payments under means-tested programs when requested by the head of the respective agency. The Secretary may exempt other payments from administrative offset under this subsection upon the written request of the head of a payment certifying agency. A written request for exemption of other payments must provide justification for the exemption under standards prescribed by the Secretary. Such standards shall give due consideration to whether administrative offset would tend to interfere substantially with or defeat the purposes of the payment certifying agency's program. The Secretary shall report to the Congress annually on exemptions granted under this section.

“(C) The provisions of sections 205(b)(1) and 1631(c)(1) of the Social Security Act shall not apply to any administrative offset

Reports.

executed pursuant to this section against benefits authorized by either title II or title XVI of the Social Security Act, respectively.

“(4) The Secretary of the Treasury may charge a fee sufficient to cover the full cost of implementing this subsection. The fee may be collected either by the retention of a portion of amounts collected pursuant to this subsection, or by billing the agency referring or transferring a claim for those amounts. Fees charged to the agencies shall be based on actual administrative offsets completed. Amounts received by the United States as fees under this subsection shall be deposited into the account of the Department of the Treasury under section 3711(g)(7) of this title, and shall be collected and accounted for in accordance with the provisions of that section.

“(5) The Secretary of the Treasury in consultation with the Commissioner of Social Security and the Director of the Office of Management and Budget, may prescribe such rules, regulations, and procedures as the Secretary of the Treasury considers necessary to carry out this subsection. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

Rules,  
regulations, and  
procedures.

“(6) Any Federal agency that is owed by a person a past due, legally enforceable nontax debt that is over 180 days delinquent, including nontax debt administered by a third party acting as an agent for the Federal Government, shall notify the Secretary of the Treasury of all such nontax debts for purposes of administrative offset under this subsection.

Notification.

“(7)(A) The disbursing official conducting an administrative offset with respect to a payment to a payee shall notify the payee in writing of—

Notification.

“(i) the occurrence of the administrative offset to satisfy a past due legally enforceable debt, including a description of the type and amount of the payment otherwise payable to the payee against which the offset was executed;

“(ii) the identity of the creditor agency requesting the offset; and

“(iii) a contact point within the creditor agency that will handle concerns regarding the offset.

“(B) If the payment to be offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the notice to the payee not later than the date on which the payee is otherwise scheduled to receive the payment, or as soon as practical thereafter, but no later than the date of the administrative offset. Notwithstanding the preceding sentence, the failure of the debtor to receive such notice shall not impair the legality of such administrative offset.

“(8) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for administrative offset pursuant to other laws.

“(d) Nothing in this section is intended to prohibit the use of any other administrative offset authority existing under statute or common law.”.

(3) NONTAX DEBT OR CLAIM DEFINED.—Section 3701 of title 31, United States Code, is amended in subsection (a) by adding at the end the following new paragraph:

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“(8) ‘nontax’ means, with respect to any debt or claim, any debt or claim other than a debt or claim under the Internal Revenue Code of 1986.”

(4) TREASURY CHECK WITHHOLDING.—Section 3712 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(e) TREASURY CHECK OFFSET.—

“(1) IN GENERAL.—To facilitate collection of amounts owed by presenting banks pursuant to subsection (a) or (b), upon the direction of the Secretary, a Federal reserve bank shall withhold credit from banks presenting Treasury checks for ultimate charge to the account of the United States Treasury. By presenting Treasury checks for payment a presenting bank is deemed to authorize this offset.

“(2) ATTEMPT TO COLLECT REQUIRED.—Prior to directing offset under subsection (a)(1), the Secretary shall first attempt to collect amounts owed in the manner provided by sections 3711 and 3716.”

(e) Section 3716 of title 31, United States Code, as amended by subsection (d)(2) of this section, is further amended by adding at the end the following new subsections:

“(f) The Secretary may waive the requirements of sections 552a(o) and (p) of title 5 for administrative offset or claims collection upon written certification by the head of a State or an executive, judicial, or legislative agency seeking to collect the claim that the requirements of subsection (a) of this section have been met.

“(g) The Data Integrity Board of the Department of the Treasury established under 552a(u) of title 5 shall review and include in reports under paragraph (3)(D) of that section a description of any matching activities conducted under this section. If the Secretary has granted a waiver under subsection (f) of this section, no other Data Integrity Board is required to take any action under section 552a(u) of title 5.”

(f) Section 3716 of title 31, United States Code, as amended by subsections (d) and (e) of this section, is further amended by adding at the end the following new subsection:

“(h)(1) The Secretary may, in the discretion of the Secretary, apply subsection (a) with respect to any past-due, legally-enforceable debt owed to a State if—

“(A) the appropriate State disbursing official requests that an offset be performed; and

“(B) a reciprocal agreement with the State is in effect which contains, at a minimum—

“(i) requirements substantially equivalent to subsection (b) of this section; and

“(ii) any other requirements which the Secretary considers appropriate to facilitate the offset and prevent duplicative efforts.

“(2) This subsection does not apply to—

“(A) the collection of a debt or claim on which the administrative costs associated with the collection of the debt or claim exceed the amount of the debt or claim;

“(B) any collection of any other type, class, or amount of claim, as the Secretary considers necessary to protect the interest of the United States; or

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“(C) the disbursement of any class or type of payment exempted by the Secretary of the Treasury at the request of a Federal agency.

“(3) In applying this section with respect to any debt owed to a State, subsection (c)(3)(A) shall not apply.”.

(g)(1) TITLE 31.—Title 31, United States Code, is amended—

(A) in section 3322(a), by inserting “section 3716 and section 3720A of this title and” after “Except as provided in”;

(B) in section 3325(a)(3), by inserting “or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title,” after “voucher”; and

(C) in each of sections 3711(e)(2) and 3717(h) by inserting “, the Secretary of the Treasury,” after “Attorney General”.

(2) INTERNAL REVENUE CODE OF 1986.—Subparagraph (A) of section 6103(l)(10) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(l)(10)) is amended by inserting “and to officers and employees of the Department of the Treasury in connection with such reduction” after “6402”.

(h) Section 5514 of title 5, United States Code, is amended—

(A) in subsection (a)—

(i) by adding at the end of paragraph (1) the following: “All Federal agencies to which debts are owed and which have outstanding delinquent debts shall participate in a computer match at least annually of their delinquent debt records with records of Federal employees to identify those employees who are delinquent in repayment of those debts. The preceding sentence shall not apply to any debt under the Internal Revenue Code of 1986. Matched Federal employee records shall include, but shall not be limited to, records of active Civil Service employees government-wide, military active duty personnel, military reservists, United States Postal Service employees, employees of other government corporations, and seasonal and temporary employees. The Secretary of the Treasury shall establish and maintain an interagency consortium to implement centralized salary offset computer matching, and promulgate regulations for this program. Agencies that perform centralized salary offset computer matching services under this subsection are authorized to charge a fee sufficient to cover the full cost for such services.”;

(ii) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

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

“(3) Paragraph (2) shall not apply to routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the adjustment and to any adjustment that amounts to \$50 or less, if at the time of such adjustment, or as soon thereafter as practical, the individual is provided written notice of the nature and the amount of the adjustment and a point of contact for contesting such adjustment.”; and

(iv) by amending paragraph (5)(B) (as redesignated by clause (ii) of this subparagraph) to read as follows:

“(B) ‘agency’ includes executive departments and agencies, the United States Postal Service, the Postal Rate Commission, the United States Senate, the United States

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House of Representatives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of the Government, and government corporations.”;

(B) by adding after subsection (c) the following new subsection:

“(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over other deductions under this section.”.

(i)(1) IN GENERAL.—Section 7701 of title 31, United States Code, is amended by adding at the end the following new subsections:

“(c)(1) The head of each Federal agency shall require each person doing business with that agency to furnish to that agency such person’s taxpayer identifying number.

“(2) For purposes of this subsection, a person shall be considered to be doing business with a Federal agency if the person is—

“(A) a lender or servicer in a Federal guaranteed or insured loan program administered by the agency;

“(B) an applicant for, or recipient of, a Federal license, permit, right-of-way, grant, or benefit payment administered by the agency or insurance administered by the agency;

“(C) a contractor of the agency;

“(D) assessed a fine, fee, royalty or penalty by the agency;

and

“(E) in a relationship with the agency that may give rise to a receivable due to that agency, such as a partner of a borrower in or a guarantor of a Federal direct or insured loan administered by the agency.

“(3) Each agency shall disclose to a person required to furnish a taxpayer identifying number under this subsection its intent to use such number for purposes of collecting and reporting on any delinquent amounts arising out of such person’s relationship with the Government.

“(4) For purposes of this subsection, a person shall not be treated as doing business with a Federal agency solely by reason of being a debtor under third party claims of the United States. The preceding sentence shall not apply to a debtor owing claims resulting from petroleum pricing violations or owing claims resulting from Federal loan or loan guarantee/insurance programs.

“(d) Notwithstanding section 552a(b) of title 5, United States Code, creditor agencies to which a delinquent claim is owed, and their agents, may match their debtor records with Department of Health and Human Services, and Department of Labor records to obtain names (including names of employees), name controls, names of employers, taxpayer identifying numbers, addresses (including addresses of employers), and dates of birth. The preceding sentence shall apply to the disclosure of taxpayer identifying numbers only if such disclosure is not otherwise prohibited by section 6103 of the Internal Revenue Code of 1986. The Department of Health and Human Services, and the Department of Labor shall release that information to creditor agencies and may charge reasonable fees sufficient to pay the costs associated with that release.”.

(2) INCLUDED FEDERAL LOAN PROGRAM DEFINED.—Subparagraph (C) of section 6103(l)(3) of the Internal Revenue Code of 1986 (relating to disclosure that applicant for Federal loan has tax delinquent account) is amended to read as follows:

26 USC 6103.

“(C) INCLUDED FEDERAL LOAN PROGRAM DEFINED.— For purposes of this paragraph, the term ‘included Federal loan program’ means any program under which the United States or a Federal agency makes, guarantees, or insures loans.”.

(3) CLERICAL AMENDMENTS.—

(A) The chapter title to chapter 77 of subtitle VI of title 31, United States Code, is amended to read as follows:

“CHAPTER 77—ACCESS TO INFORMATION FOR DEBT COLLECTION”.

(B) The table of chapters for subtitle VI of title 31, United States Code, is amended by inserting before the item relating to chapter 91 the following new item:

“77. Access to information for debt collection ..... 7701”.

(j)(1) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 3720A the following new section:

“§ 3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan insurance guarantees

“(a) Unless this subsection is waived by the head of a Federal agency, a person may not obtain any Federal financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee administered by the agency if the person has an outstanding debt (other than a debt under the Internal Revenue Code of 1986) with any Federal agency which is in a delinquent status, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional loans or loan guarantees only after such delinquency is resolved in accordance with those standards. The Secretary of the Treasury may exempt, at the request of an agency, any class of claims.

Standards.

“(b) The head of a Federal agency may delegate the waiver authority under subsection (a) to the Chief Financial Officer of the agency. The waiver authority may be redelegated only to the Deputy Chief Financial Officer of the agency.”

(2) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720A the following new item:

“3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan insurance guarantees.”.

(k) Section 3711(f) of title 31, United States Code, is amended—

(1) by striking “may” the first place it appears and inserting “shall”;

(2) by striking “an individual” each place it appears and inserting “a person”;

(3) by striking “the individual” each place it appears and inserting “the person”; and

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

“(4) The head of each executive agency shall require, as a condition for insuring or guaranteeing any loan, financing, or other extension of credit under any law to a person, that the lender provide information relating to the extension of credit to consumer reporting agencies or commercial reporting agencies, as appropriate.

“(5) The head of each executive agency may provide to a consumer reporting agency or commercial reporting agency information from a system of records that a person is responsible for a claim which is current, if notice required by section 552a(e)(4)

of title 5 indicates that information in the system may be disclosed to a consumer reporting agency or commercial reporting agency, respectively.”

(l) Section 3718 of title 31, United States Code, is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: “Under conditions the head of an executive, judicial, or legislative agency considers appropriate, the head of the agency may enter into a contract with a person for collection service to recover indebtedness owed, or to locate or recover assets of, the United States Government. The head of an agency may not enter into a contract under the preceding sentence to locate or recover assets of the United States held by a State government or financial institution unless that agency has established procedures approved by the Secretary of the Treasury to identify and recover such assets.”; and

(2) in subsection (d), by inserting “, or to locate or recover assets of,” after “owed”.

(m)(1) IN GENERAL.—Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsections:

“(g)(1) If a nontax debt or claim owed to the United States has been delinquent for a period of 180 days—

“(A) the head of the executive, judicial, or legislative agency that administers the program that gave rise to the debt or claim shall transfer the debt or claim to the Secretary of the Treasury; and

“(B) upon such transfer the Secretary of the Treasury shall take appropriate action to collect or terminate collection actions on the debt or claim.

“(2) Paragraph (1) shall not apply—

“(A) to any debt or claim that—

“(i) is in litigation or foreclosure;

“(ii) will be disposed of under an asset sales program within 1 year after becoming eligible for sale, or later than 1 year if consistent with an asset sales program and a schedule established by the agency and approved by the Director of the Office of Management and Budget;

“(iii) has been referred to a private collection contractor for collection for a period of time determined by the Secretary of the Treasury;

“(iv) has been referred by, or with the consent of, the Secretary of the Treasury to a debt collection center for a period of time determined by the Secretary of the Treasury; or

“(v) will be collected under internal offset, if such offset is sufficient to collect the claim within 3 years after the date the debt or claim is first delinquent; and

“(B) to any other specific class of debt or claim, as determined by the Secretary of the Treasury at the request of the head of an executive, judicial, or legislative agency or otherwise.

“(3) For purposes of this section, the Secretary of the Treasury may designate, and withdraw such designation of debt collection centers operated by other Federal agencies. The Secretary of the Treasury shall designate such centers on the basis of their performance in collecting delinquent claims owed to the Government.

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“(4) At the discretion of the Secretary of the Treasury, referral of a nontax claim may be made to—

“(A) any executive department or agency operating a debt collection center for servicing, collection, compromise, or suspension or termination of collection action;

“(B) a private collection contractor operating under a contract for servicing or collection action; or

“(C) the Department of Justice for litigation.

“(5) Nontax claims referred or transferred under this section shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities. Executive departments and agencies operating debt collection centers may enter into agreements with the Secretary of the Treasury to carry out the purposes of this subsection. The Secretary of the Treasury shall—

“(A) maintain competition in carrying out this subsection;

“(B) maximize collections of delinquent debts by placing delinquent debts quickly;

“(C) maintain a schedule of private collection contractors and debt collection centers eligible for referral of claims; and

“(D) refer delinquent debts to the person most appropriate to collect the type or amount of claim involved.

“(6) Any agency operating a debt collection center to which nontax claims are referred or transferred under this subsection may charge a fee sufficient to cover the full cost of implementing this subsection. The agency transferring or referring the nontax claim shall be charged the fee, and the agency charging the fee shall collect such fee by retaining the amount of the fee from amounts collected pursuant to this subsection. Agencies may agree to pay through a different method, or to fund an activity from another account or from revenue received from the procedure described under section 3720C of this title. Amounts charged under this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title.

“(7) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, agencies collecting fees may retain the fees from amounts collected. Any fee charged pursuant to this subsection shall be deposited into an account to be determined by the executive department or agency operating the debt collection center charging the fee (in this subsection referred to in this section as the ‘Account’). Amounts deposited in the Account shall be available until expended to cover costs associated with the implementation and operation of Governmentwide debt collection activities. Costs properly chargeable to the Account include—

“(A) the costs of computer hardware and software, word processing and telecommunications equipment, and other equipment, supplies, and furniture;

“(B) personnel training and travel costs;

“(C) other personnel and administrative costs;

“(D) the costs of any contract for identification, billing, or collection services; and

“(E) reasonable costs incurred by the Secretary of the Treasury, including services and utilities provided by the Secretary, and administration of the Account.

“(8) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of unobligated balances remaining in the Account at the close of business on September 30 of the preceding year, minus any part of such balance that the executive department or agency operating the debt collection center determines is necessary to cover or defray the costs under this subsection for the fiscal year in which the deposit is made.

“(9) Before discharging any delinquent debt owed to any executive, judicial, or legislative agency, the head of such agency shall take all appropriate steps to collect such debt, including (as applicable)—

“(A) administrative offset,

“(B) tax refund offset,

“(C) Federal salary offset,

“(D) referral to private collection contractors,

“(E) referral to agencies operating a debt collection center,

“(F) reporting delinquencies to credit reporting bureaus,

“(G) garnishing the wages of delinquent debtors, and

“(H) litigation or foreclosure.

“(10) To carry out the purposes of this subsection, the Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary considers necessary and transfer such funds from funds appropriated to the Department of the Treasury as may be necessary to meet existing liabilities and obligations incurred prior to the receipt of revenues that result from debt collections.

“(h)(1) The head of an executive, judicial, or legislative agency acting under subsection (a)(1), (2), or (3) of this section to collect a claim, compromise a claim, or terminate collection action on a claim may obtain a consumer report (as that term is defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)) or comparable credit information on any person who is liable for the claim.

“(2) The obtaining of a consumer report under this subsection is deemed to be a circumstance or purpose authorized or listed under section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b).”

(2) RETURNS RELATING TO CANCELLATION OF INDEBTEDNESS BY CERTAIN ENTITIES.—

26 USC 6050P.

(A) IN GENERAL.—Subsection (a) of section 6050P of the Internal Revenue Code of 1986 (relating to returns relating to the cancellation of indebtedness by certain financial entities) is amended by striking “applicable financial entity” and inserting “applicable entity”.

(B) ENTITIES TO WHICH REQUIREMENT APPLIES.—Subsection (c) of section 6050P of such Code is amended—

(i) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

“(1) APPLICABLE ENTITY.—The term ‘applicable entity’ means—

“(A) an executive, judicial, or legislative agency (as defined in section 3701(a)(4) of title 31, United States Code), and

“(B) an applicable financial entity.”, and

(ii) in paragraph (3), as so redesignated, by striking “(1)(B)” and inserting “(1)(A) or (2)(B)”.

(C) ALTERNATIVE PROCEDURE.—Section 6050P of such Code is amended by adding at the end the following new subsection: 26 USC 6050P.

“(e) ALTERNATIVE PROCEDURE.—In lieu of making a return required under subsection (a), an agency described in subsection (c)(1)(A) may submit to the Secretary (at such time and in such form as the Secretary may by regulations prescribe) information sufficient for the Secretary to complete such a return on behalf of such agency. Upon receipt of such information, the Secretary shall complete such return and provide a copy of such return to such agency.”

(D) CONFORMING AMENDMENTS.—

(i) Subsection (d) of section 6050P of such Code is amended by striking “applicable financial entity” and inserting “applicable entity”.

(ii) The heading of section 6050P of such Code is amended to read as follows:

**“SEC. 6050P. RETURNS RELATING TO THE CANCELLATION OF INDEBTEDNESS BY CERTAIN ENTITIES.”**

(iii) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by striking the item relating to section 6050P and inserting the following new item:

“Sec. 6050P. Returns relating to the cancellation of indebtedness by certain entities.”

(n) Effective October 1, 1995, section 11 of the Administrative Dispute Resolution Act (Public Law 101-552, 5 U.S.C. 571 note) shall not apply to the amendment made by section 8(b) of such Act.

Effective date.  
31 USC 3711  
note.

(o)(1) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720C, as added by subsection (t) of this section, the following new section:

**“§ 3720D. Garnishment**

“(a) Notwithstanding any provision of State law, the head of an executive, judicial, or legislative agency that administers a program that gives rise to a delinquent nontax debt owed to the United States by an individual may in accordance with this section garnish the disposable pay of the individual to collect the amount owed, if the individual is not currently making required repayment in accordance with any agreement between the agency head and the individual.

“(b) In carrying out any garnishment of disposable pay of an individual under subsection (a), the head of an executive, judicial, or legislative agency shall comply with the following requirements:

“(1) The amount deducted under this section for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual.

“(2) The individual shall be provided written notice, sent by mail to the individual’s last known address, a minimum of 30 days prior to the initiation of proceedings, from the head of the executive, judicial, or legislative agency, informing the individual of—

Notification.

“(A) the nature and amount of the debt to be collected;

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“(B) the intention of the agency to initiate proceedings to collect the debt through deductions from pay; and

“(C) an explanation of the rights of the individual under this section.

Records.

“(3) The individual shall be provided an opportunity to inspect and copy records relating to the debt.

Contracts.

“(4) The individual shall be provided an opportunity to enter into a written agreement with the executive, judicial, or legislative agency, under terms agreeable to the head of the agency, to establish a schedule for repayment of the debt.

“(5) The individual shall be provided an opportunity for a hearing in accordance with subsection (c) on the determination of the head of the executive, judicial, or legislative agency concerning—

“(A) the existence or the amount of the debt, and

“(B) in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), the terms of the repayment schedule.

“(6) If the individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of the individual until the individual has been reemployed continuously for at least 12 months.

“(c)(1) A hearing under subsection (b)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (b)(2), and in accordance with such procedures as the head of the executive, judicial, or legislative agency may prescribe, files a petition requesting such a hearing.

“(2) If the individual does not file a petition requesting a hearing prior to such date, the head of the agency shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order.

“(3) The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

“(d) The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

“(e)(1) An employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action.

Courts.

“(2) The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

“(f)(1) The employer of an individual—

“(A) shall pay to the head of an executive, judicial, or legislative agency as directed in a withholding order issued in an action under this section with respect to the individual, and

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“(B) shall be liable for any amount that the employer fails to withhold from wages due an employee following receipt by such employer of notice of the withholding order, plus attorneys’ fees, costs, and, in the court’s discretion, punitive damages.

“(2)(A) The head of an executive, judicial, or legislative agency may sue an employer in a State or Federal court of competent jurisdiction to recover amounts for which the employer is liable under paragraph (1)(B).

“(B) A suit under this paragraph may not be filed before the termination of the collection action, unless earlier filing is necessary to avoid expiration of any applicable statute of limitations period.

“(3) Notwithstanding paragraphs (1) and (2), an employer shall not be required to vary its normal pay and disbursement cycles in order to comply with this subsection.

“(g) For the purpose of this section, the term ‘disposable pay’ means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by any other law to be withheld.

“(h) The Secretary of the Treasury shall issue regulations to implement this section.”

Regulations.

(2) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720C (as added by subsection (t) of this section) the following new item:

“3720D. Garnishment.”

(p) Section 3711 of title 31, United States Code, as amended by subsection (m) of this section, is further amended by adding at the end the following new subsection:

“(i)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 and using competitive procedures, any nontax debt owed to the United States that is delinquent for more than 90 days. Appropriate fees charged by a contractor to assist in the conduct of a sale under this subsection may be payable from the proceeds of the sale.

“(2) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States, if the Secretary of the Treasury determines the sale is in the best interests of the United States.

“(3) Sales of nontax debt under this subsection—

“(A) shall be for—

“(i) cash, or

“(ii) cash and a residuary equity or profit participation, if the head of the agency reasonably determines that the proceeds will be greater than sale solely for cash,

“(B) shall be without recourse, but may include the use of guarantees if otherwise authorized, and

“(C) shall transfer to the purchaser all rights of the Government to demand payment of the nontax debt, other than with respect to a residuary equity or profit participation under subparagraph (A)(ii).

“(4)(A) Within one year after the date of enactment of the Debt Collection Improvement Act of 1996, each executive agency with current and delinquent collateralized nontax debts shall report to the Congress on the valuation of its existing portfolio of loans,

Reports.

notes and guarantees, and other collateralized debts based on standards developed by the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury.

“(B) The Director of the Office of Management and Budget shall determine what information is required to be reported to comply with subparagraph (A). At a minimum, for each financing account and for each liquidating account (as those terms are defined in sections 502(7) and 502(8), respectively, of the Federal Credit Reform Act of 1990) the following information shall be reported:

“(i) The cumulative balance of current debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

“(ii) The cumulative balance of delinquent debts, debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

“(iii) The cumulative balance of guaranteed loans outstanding, the estimated net present value of such guarantees, the annual administrative expenses of such guarantees (including the portion of salaries and expenses that are directly related to such guaranteed loans), and the estimated net proceeds that would be received by the Government if such loan guarantees were sold.

“(iv) The cumulative balance of defaulted loans that were previously guaranteed and have resulted in loans receivables, the estimated net present value of such loan assets, the annual administrative expenses of such loan assets (including the portion of salaries and expenses that are directly related to such loan assets), and the estimated net proceeds that would be received by the Government if such loan assets were sold.

“(v) The marketability of all debts.

“(5) This subsection is not intended to limit existing statutory authority of agencies to sell loans, debts, or other assets.”.

(q) Section 3717 of title 31, United States Code, is amended by adding at the end of subsection (h) the following new subsection:

“(i)(1) The head of an executive, judicial, or legislative agency may increase an administrative claim by the cost of living adjustment in lieu of charging interest and penalties under this section. Adjustments under this subsection will be computed annually.

“(2) For the purpose of this subsection—

“(A) the term ‘cost of living adjustment’ means the percentage by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the claim was determined or last adjusted; and

“(B) the term ‘administrative claim’ includes all debt that is not based on an extension of Government credit through direct loans, loan guarantees, or insurance, including fines, penalties, and overpayments.”.

(r)(1) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720D, as added by subsection (o) of this section, the following new section:

**“§ 3720E. Dissemination of information regarding identity of delinquent debtors**

“(a) The head of any agency may, with the review of the Secretary of the Treasury, for the purpose of collecting any delinquent nontax debt owed by any person, publish or otherwise publicly disseminate information regarding the identity of the person and the existence of the nontax debt.

“(b)(1) The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget and the heads of other appropriate Federal agencies, shall issue regulations establishing procedures and requirements the Secretary considers appropriate to carry out this section.

Regulations.

“(2) Regulations under this subsection shall include—

“(A) standards for disseminating information that maximize collections of delinquent nontax debts, by directing actions under this section toward delinquent debtors that have assets or income sufficient to pay their delinquent nontax debt;

“(B) procedures and requirements that prevent dissemination of information under this section regarding persons who have not had an opportunity to verify, contest, and compromise their nontax debt in accordance with this subchapter; and

“(C) procedures to ensure that persons are not incorrectly identified pursuant to this section.”.

(2) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by adding after the item relating to section 3720D (as added by subsection (o) of this section) the following new item:

“3720E. Dissemination of information regarding identity of delinquent debtors.”.

(s)(1) IN GENERAL.—The Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101-410, 104 Stat. 890; 28 U.S.C. 2461 note) is amended—

(A) by amending section 4 to read as follows:

“SEC. 4. The head of each agency shall, not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1996, and at least once every 4 years thereafter—

“(1) by regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty (including any addition to tax and additional amount) under the Internal Revenue Code of 1986, the Tariff Act of 1930, the Occupational Safety and Health Act of 1970, or the Social Security Act, by the inflation adjustment described under section 5 of this Act; and

Regulations.

“(2) publish each such regulation in the Federal Register.”;

Federal Register, Publication.

(B) in section 5(a), by striking “The adjustment described under paragraphs (4) and (5)(A) of section 4” and inserting “The inflation adjustment under section 4”; and

(C) by adding at the end the following new section:

“SEC. 7. Any increase under this Act in a civil monetary penalty shall apply only to violations which occur after the date the increase takes effect.”.

(2) LIMITATION ON INITIAL ADJUSTMENT.—The first adjustment of a civil monetary penalty made pursuant to the amendment made by paragraph (1) may not exceed 10 percent of such penalty.

28 USC 2461 note.

(t)(1) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 3720B (as added by subsection (j) of this section) the following new section:

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**“§ 3720C. Debt Collection Improvement Account**

Nomenclature.

“(a)(1) There is hereby established in the Treasury a special fund to be known as the ‘Debt Collection Improvement Account’ (hereinafter in this section referred to as the ‘Account’).

“(2) The Account shall be maintained and managed by the Secretary of the Treasury, who shall ensure that agency programs are credited with amounts transferred under subsection (b)(1).

“(b)(1) Not later than 30 days after the end of a fiscal year, an agency may transfer to the Account the amount described in paragraph (3), as adjusted under paragraph (4).

“(2) Agency transfers to the Account may include collections from—

“(A) salary, administrative, and tax refund offsets;

“(B) the Department of Justice;

“(C) private collection agencies;

“(D) sales of delinquent loans; and

“(E) contracts to locate or recover assets.

“(3) The amount referred to in paragraph (1) shall be 5 percent of the amount of delinquent debt collected by an agency in a fiscal year, minus the greater of—

“(A) 5 percent of the amount of delinquent nontax debt collected by the agency in the previous fiscal year, or

“(B) 5 percent of the average annual amount of delinquent nontax debt collected by the agency in the previous 4 fiscal years.

“(4) In consultation with the Secretary of the Treasury, the Office of Management and Budget may adjust the amount described in paragraph (3) for an agency to reflect the level of effort in credit management programs by the agency. As an indicator of the level of effort in credit management, the Office of Management and Budget shall consider the following:

“(A) The number of days between the date a claim or debt became delinquent and the date which an agency referred the debt or claim to the Secretary of the Treasury or obtained an exemption from this referral under section 3711(g)(2) of this title.

“(B) The ratio of delinquent debts or claims to total receivables for a given program, and the change in this ratio over a period of time.

“(c)(1) The Secretary of the Treasury may make payments from the Account solely to reimburse agencies for qualified expenses. For agencies with franchise funds, such payments may be credited to subaccounts designated for debt collection.

“(2) For purposes of this section, the term ‘qualified expenses’ means expenditures for the improvement of credit management, debt collection, and debt recovery activities, including—

“(A) account servicing (including cross-servicing under section 3711(g) of this title),

“(B) automatic data processing equipment acquisitions,

“(C) delinquent debt collection,

“(D) measures to minimize delinquent debt,

“(E) sales of delinquent debt,

“(F) asset disposition, and

“(G) training of personnel involved in credit and debt management.

“(3)(A) Amounts transferred to the Account shall be available to the Secretary of the Treasury for purposes of this section to

the extent and in amounts provided in advance in appropriations Acts.

“(B) As soon as practicable after the end of the third fiscal year after which amounts transferred are first available pursuant to this section, and every 3 years thereafter, any uncommitted balance in the Account shall be transferred to the general fund of the Treasury as miscellaneous receipts.

“(d) For direct loans and loan guarantee programs subject to title V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs.

“(e) The Secretary of the Treasury shall prescribe such rules, regulations, and procedures as the Secretary considers necessary or appropriate to carry out the purposes of this section.”.

Rules,  
regulations, and  
procedures.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720B (as added by subsection (j) of this section) the following new item:

“3720C. Debt Collection Improvement Account.”.

(u)(1) DISCRETIONARY AUTHORITY.—Section 3720A of title 31, United States Code, is amended by adding after subsection (h) the following new subsection:

“(i) An agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), may implement this section at its discretion.”.

(2) FEDERAL AGENCY DEFINED.—Section 6402(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(f)) is amended to read as follows:

“(f) FEDERAL AGENCY.—For purposes of this section, the term ‘Federal agency’ means a department, agency, or instrumentality of the United States, and includes a Government corporation (as such term is defined in section 103 of title 5, United States Code).”.

(v)(1) NOTIFICATION OF SECRETARY OF THE TREASURY.—Section 3720A(a) of title 31, United States Code, is amended to read as follows:

“(a) Any Federal agency that is owed by a person a past-due, legally enforceable debt (including debt administered by a third party acting as an agent for the Federal Government) shall, and any agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), owed such a debt may, in accordance with regulations issued pursuant to subsections (b) and (d), notify the Secretary of the Treasury at least once each year of the amount of such debt.”.

Notification.

(2) IMPLEMENTATION OF SUPPORT COLLECTION BY SECRETARY OF THE TREASURY.—Section 464(a) of the Social Security Act (42 U.S.C. 664(a)) is amended—

(1) in paragraph (1), by adding at the end the following: “This subsection may be executed by the disbursing official of the Department of the Treasury.”; and

(2) in paragraph (2)(A), by adding at the end the following: “This subsection may be executed by the Secretary of the Department of the Treasury or his designee.”.

(w) Section 3720A(h) of title 31, United States Code, is amended to read as follows:

“(h)(1) The disbursing official of the Department of the Treasury—

“(1) shall notify a taxpayer in writing of—

Notification.

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- “(A) the occurrence of an offset to satisfy a past-due legally enforceable nontax debt;
- “(B) the identity of the creditor agency requesting the offset; and
- “(C) a contact point within the creditor agency that will handle concerns regarding the offset;
- Notification. “(2) shall notify the Internal Revenue Service on a weekly basis of—
- “(A) the occurrence of an offset to satisfy a past-due legally enforceable non-tax debt;
- “(B) the amount of such offset; and
- “(C) any other information required by regulations;
- and
- Records. “(3) shall match payment records with requests for offset by using a name control, taxpayer identifying number (as that term is used in section 6109 of the Internal Revenue Code of 1986), and any other necessary identifiers.”
- “(h)(2) The term ‘disbursing official’ of the Department of the Treasury means the Secretary or his designee.”
- (x)(1) AMENDMENTS RELATING TO ELECTRONIC FUNDS TRANSFER.—Section 3332 of title 31, United States Code, popularly known as the Federal Financial Management Act of 1994, is amended—
- (A) by redesignating subsection (e) as subsection (h), and inserting after subsection (d) the following new subsections:
- “(e)(1) Notwithstanding subsections (a) through (d) of this section, sections 5120 (a) and (d) of title 38, and any other provision of law, all Federal payments to a recipient who becomes eligible for that type of payment after 90 days after the date of the enactment of the Debt Collection Improvement Act of 1996 shall be made by electronic funds transfer.
- “(2) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of paragraph (1) to a recipient of those payments upon receipt of written certification from the recipient that the recipient does not have an account with a financial institution or an authorized payment agent.
- “(f)(1) Notwithstanding any other provision of law (including subsections (a) through (e) of this section and sections 5120 (a) and (d) of title 38), except as provided in paragraph (2) all Federal payments made after January 1, 1999, shall be made by electronic funds transfer.
- “(2)(A) The Secretary of the Treasury may waive application of this subsection to payments—
- “(i) for individuals or classes of individuals for whom compliance imposes a hardship;
- “(ii) for classifications or types of checks; or
- “(iii) in other circumstances as may be necessary.
- “(B) The Secretary of the Treasury shall make determinations under subparagraph (A) based on standards developed by the Secretary.
- “(g) Each recipient of Federal payments required to be made by electronic funds transfer shall—
- “(1) designate 1 or more financial institutions or other authorized agents to which such payments shall be made; and
- “(2) provide to the Federal agency that makes or authorizes the payments information necessary for the recipient to receive

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electronic funds transfer payments through each institution or agent designated under paragraph (1).”; and

(B) by adding after subsection (h) (as so redesignated) the following new subsections:

“(i)(1) The Secretary of the Treasury may prescribe regulations that the Secretary considers necessary to carry out this section.

“(2) Regulations under this subsection shall ensure that individuals required under subsection (g) to have an account at a financial institution because of the application of subsection (f)(1)—

“(A) will have access to such an account at a reasonable cost; and

“(B) are given the same consumer protections with respect to the account as other account holders at the same financial institution.

“(j) For purposes of this section—

“(1) The term ‘electronic funds transfer’ means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House transfers, Fed Wire transfers, transfers made at automatic teller machines, and point-of-sale terminals.

“(2) The term ‘Federal agency’ means—

“(A) an agency (as defined in section 101 of this title); and

“(B) a Government corporation (as defined in section 103 of title 5).

“(3) The term ‘Federal payments’ includes—

“(A) Federal wage, salary, and retirement payments;

“(B) vendor and expense reimbursement payments; and

“(C) benefit payments.

Such term shall not include any payment under the Internal Revenue Code of 1986.”

(2) AMENDMENTS RELATING TO SUBSTITUTE CHECKS.—Section 3331 of title 31, United States Code, is amended—

(A) in subsection (b), by striking “subsection (c)” and inserting “subsection (c) or (f)”;

(B) by redesignating subsection (f) as subsection (g); and

(C) by inserting after subsection (e) the following new subsection:

“(f) The Secretary may waive any provision of this section as may be necessary to ensure that claimants receive timely payments.”.

(3) PERMANENT FUNDING OF THE CHECK FORGERY INSURANCE FUND.—Section 3343 of title 31, United States Code, is amended—

(A) in subsection (a), by amending the second sentence to read as follows: “Necessary amounts are hereafter appropriated to the Fund out of any moneys in the Treasury not otherwise appropriated, and shall remain available until expended to make the payments required or authorized under this section.”;

(B) in subsection (b)—

(i) by inserting “in the determination of the Secretary the payee or special endorse establishes that” after “without interest if”;

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(ii) in paragraph (2), by inserting “and” after the semicolon;

(iii) in paragraph (3), by striking “; and” and inserting a period; and

(iv) by striking paragraph (4);

(C) in subsection (d), by inserting after the first sentence the following new sentence: “The Secretary may use amounts in the Fund to reimburse payment certifying or authorizing agencies for any payment that the Secretary determines would otherwise have been payable from the Fund, and may reimburse certifying or authorizing agencies with amounts recovered because of payee nonentitlement.”;

(D) by redesignating subsection (e) as subsection (g); and

(E) by inserting after subsection (d) the following new subsections:

“(e) The Secretary may waive any provision of this section as may be necessary to ensure that claimants receive timely payments.

“(f) Under such conditions as the Secretary may prescribe, the Secretary may delegate duties and powers of the Secretary under this section to the head of an agency. Consistent with a delegation from the Secretary under this subsection, the head of an agency may redelegate those duties and powers to officers or employees of the agency.”.

(y) Section 3325 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(d) The head of an executive agency or an officer or employee of an executive agency referred to in subsection (a)(1)(B), as applicable, shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.”.

(z)(1) IN GENERAL.—Section 3701 of title 31, United States Code, is amended—

(A) by amending subsection (a)(1) to read as follows:

“(1) ‘administrative offset’ means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim.”;

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

“(b)(1) In subchapter II of this chapter and subsection (a)(8) of this section, the term ‘claim’ or ‘debt’ means any amount of funds or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person, organization, or entity other than another Federal agency. A claim includes, without limitation—

“(A) funds owed on account of loans made, insured, or guaranteed by the Government, including any deficiency or any difference between the price obtained by the Government in the sale of a property and the amount owed to the Government on a mortgage on the property,

“(B) expenditures of nonappropriated funds,

“(C) over-payments, including payments disallowed by audits performed by the Inspector General of the agency administering the program,

“(D) any amount the United States is authorized by statute to collect for the benefit of any person,

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“(E) the unpaid share of any non-Federal partner in a program involving a Federal payment and a matching, or cost-sharing, payment by the non-Federal partner,

“(F) any fines or penalties assessed by an agency; and

“(G) other amounts of money or property owed to the Government.

“(2) For purposes of section 3716 of this title, each of the terms ‘claim’ and ‘debt’ includes an amount of funds or property owed by a person to a State (including any past-due support being enforced by the State), the District of Columbia, American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico.”;

(C) by adding after subsection (d) the following new subsection:

“(e) In section 3716 of this title—

“(1) ‘creditor agency’ means any agency owed a claim that seeks to collect that claim through administrative offset; and

“(2) ‘payment certifying agency’ means any agency that has transmitted a voucher to a disbursing official for disbursement.

“(f) In section 3711 of this title, ‘private collection contractor’ means private debt collectors under contract with an agency to collect a nontax debt or claim owed the United States. The term includes private debt collectors, collection agencies, and commercial attorneys.”; and

(D) by amending subsection (d) to read as follows:

“(d) Sections 3711(f) and 3716–3719 of this title do not apply to a claim or debt under, or to an amount payable under—

“(1) the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.),

“(2) the Social Security Act (42 U.S.C. 301 et seq.), except to the extent provided under section 204(f) of such Act and section 3716(c) of this title, or

“(3) the tariff laws of the United States.”.

(2) SOCIAL SECURITY.—

(A) APPLICATION OF AMENDMENTS MADE BY THIS ACT.—Subsection (f) of section 204 of the Social Security Act (42 U.S.C. 404) is amended to read as follows:

“(f)(1) With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(f), 3716, 3717, and 3718 of title 31, United States Code and in section 5514 of title 5, United States Code, as in effect immediately after the enactment of the Debt Collection Improvement Act of 1996.”

(B) PERMANENT APPLICATION.—Subsection (c) of section 5 of the Social Security Domestic Reform Act of 1994 (Public Law 103-387) is amended by striking “and before” and all that follows and inserting a period.

31 USC 3701  
note.

(aa)(1) GUIDELINES.—The Secretary of the Treasury, in consultation with concerned Federal agencies, may establish guidelines, including information on outstanding debt, to assist agencies in the performance and monitoring of debt collection activities.

31 USC 3711  
note.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury shall report to the Congress on collection services provided by Federal agencies or entities collecting debt on behalf of other Federal agencies under the

31 USC 3711  
note.

110 STAT.

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authorities contained in section 3711(g) of title 31, United States Code, as added by subsection (m) of this section.

(3) AGENCY REPORTS.—Section 3719 of title 31, United States Code, is amended—

(A) in subsection (a)—

Regulations.

(i) by amending the first sentence to read as follows: “In consultation with the Comptroller General of the United States, the Secretary of the Treasury shall prescribe regulations requiring the head of each agency with outstanding nontax claims to prepare and submit to the Secretary at least once each year a report summarizing the status of loans and accounts receivable that are managed by the head of the agency.”; and

(ii) in paragraph (3), by striking “Director” and inserting “Secretary”; and

(B) in subsection (b), by striking “Director” and inserting “Secretary”.

31 USC 3719  
note.

(4) CONSOLIDATION OF REPORTS.—Notwithstanding any other provision of law, the Secretary of the Treasury may consolidate reports concerning debt collection otherwise required to be submitted by the Secretary into one annual report.

31 USC 3711  
note.

(bb) The Director of the Office of Management and Budget shall—

(1) review the standards and policies of each Federal agency for compromising, writing-down, forgiving, or discharging indebtedness arising from programs of the agency;

(2) determine whether those standards and policies are consistent and protect the interests of the United States;

(3) in the case of any Federal agency standard or policy that the Director determines is not consistent or does not protect the interests of the United States, direct the head of the agency to make appropriate modifications to the standard or policy; and

(4) report annually to the Congress on—

(A) deficiencies in the standards and policies of Federal agencies for compromising, writing-down, forgiving, or discharging indebtedness; and

(B) progress made in improving those standards and policies.

(cc)(1) ELIMINATION OF MINIMUM NUMBER OF CONTRACTS.—Section 3718(b)(1)(A) of title 31, United States Code, is amended by striking the fourth sentence.

31 USC 3718  
notes.

(2) REPEAL.—Sections 3 and 5 of the Act of October 28, 1986 (popularly known as the Federal Debt Recovery Act; Public Law 99-578, 100 Stat. 3305) are hereby repealed.

#### FEDERAL ADMINISTRATIVE AND PERSONAL SERVICES EXPENSES

(RECISSIONS)

SEC. 31002. (a) Of the funds available to the agencies of the Federal Government, \$500,000,000 are hereby rescinded: *Provided*, That rescissions pursuant to this paragraph shall be taken only from administrative and personal services and contractual services and supplies accounts: *Provided further*, That rescissions shall be taken on a pro rata basis from funds available to every Federal

agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House and Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsections (a) and (b) of this section. Records.

This Act may be cited as the “Omnibus Consolidated Rescissions and Appropriations Act of 1996”.

[*Net total, Chapter 10, —\$840,000,000.*]

[*Net total, title III, Rescissions and Offsets, —\$3,970,246,000.*]

Approved April 26, 1996.

LEGISLATIVE HISTORY—H.R. 3019 (S. 1594):

HOUSE REPORTS: No. 104-537 (Comm. of Conference).

SENATE REPORTS: No. 104-236 accompanying S. 1594 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 142 (1996):

Mar. 7, considered and passed House.

Mar. 11-15, 18, 19, considered and passed Senate, amended.

Apr. 25, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 32 (1996):

Apr. 26, Presidential statement.

Net grand total, Supplementals, Rescissions and

Offsets, 1996 .....	—\$1,845,532,000
Appropriations .....	(2,124,714,000)
Offsets .....	(—577,000,000)
Rescissions .....	(—3,393,246,000)

Consisting of:

Department of Agriculture .....	216,514,000
Department of Commerce .....	25,500,000
Department of Defense (net) .....	—70,000,000
Department of Defense—Civil .....	165,000,000
Department of Education (rescission) .....	—53,446,000
Department of Energy (net) .....	—212,000,000
Foreign Assistance (net) .....	78,000,000
General Government—-independent agencies (net) .....	—996,600,000
General Services Administration (rescission) .....	—3,400,000
Department of Health and Human Services (offset) .....	—10,000,000
Department of Housing and Urban Development .....	50,000,000
Department of the Interior .....	166,900,000
Small Business Administration .....	100,000,000
Department of Transportation (net) .....	—462,000,000
Department of the Treasury (offset) .....	—340,000,000
Federal administrative and personal services expenses (rescission) .....	—500,000,000