consider the results of the examination and certification program conducted pursuant to paragraphs (1) and (2).

``(B) Certification requirement.--After September 30, 2000, the Administration may not renew or extend any cooperative agreement with a small business development center unless the center has been approved under the certification program conducted pursuant to this subsection, except that the Associate Administrator for Small Business Development Centers may waive such certification requirement, in the discretion of the Associate Administrator, upon a showing that the center is making a good faith effort to obtain certification.''.

(c) Technical Correction.--Section 21(l) (15 U.S.C. 648(l)) is amended to read as follows:

``(l) Contract Authority.--The authority to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the administration has entered a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administration provides the applicant with written notification setting forth the reasons therefore and affording the applicant an opportunity for a hearing, appeal, or other administrative proceeding under the provisions of chapter 5 of title 5, United States Code.''.

SEC. 107. MISCELLANEOUS AUTHORITIES TO PROVIDE LOANS AND OTHER FINANCIAL ASSISTANCE.

(a) Funding Limitation; Seminars.--Section 7(d) (15 U.S.C. 636(d)) is amended--

(1) by striking ``(d)(1)'' and inserting ``(d)''; and

(2) by striking paragraph (2).

(b) Trade Adjustment Loans.--Section 7(e) (15 U.S.C. 636(e)) is amended to read as follows:

``(e) [RESERVED].''.

(c) Waiver of Credit Elsewhere Test for Colleges and Universities.--Section 7(f) (15 U.S.C. 636(f)) is amended to read as follows:

``(f) [RESERVED].''.

(d) Loans to Small Business Concerns for Solar Energy and Energy Conservation Measures.--Section 7(l) (15 U.S.C. 636(l)) is amended to read as follows:

``(l) [RESERVED].''.

SEC. 108. SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

(a) Extension of Demonstration Program.--

(1) In general.--Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note; 102 Stat. 3890) is amended by striking ``September 30, 1996'' and inserting ``September 30, 1997''.

(2) Repeal.--Section 717(f) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is repealed.

(b) Reporting of Subcontract Participation in Contracts for Architectural and Engineering Services.--Section 714(b)(5) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note; 102 Stat. 3892) is amended to read as follows:

``(5) Duration.--The system described in subsection (a) shall be established not later than October 1, 1996 (or as soon as practicable thereafter on the first day of a subsequent quarter of fiscal year 1997), and shall terminate on September 30, 1997.''.

(c) Reports to the Congress.--

(1) In general.--Section 716 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note; 102 Stat. 3893) is amended--

(A) in subsection (a), by striking ``fiscal year 1991 and 1995'' and inserting ``each of fiscal years 1991 through 1996'';

(B) in subsection (b), by striking ``results'' and inserting ``cumulative results''; and

(C) in subsection (c), by striking ``1996'' and inserting ``1997''.

(2) Cumulative report through fiscal year 1995.--A cumulative report of the results of the Small Business Competitiveness Demonstration Program for fiscal years 1991 through 1995 shall be submitted not later than February 28, 1997 pursuant to section 716(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note; 102 Stat. 3893), as amended by paragraph (1) of this subsection.

SEC. 109. AMENDMENT TO SMALL BUSINESS GUARANTEED CREDIT ENHANCEMENT ACT OF 1993.

(a) In general.--Section 7 of the Small Business Guaranteed Credit Enhancement Act of 1993 (Public Law 103-81; 15 U.S.C. 634 note) is repealed effective September 29, 1996.

(b) Clerical Amendment.--The table of contents for the Small Business Guaranteed Credit Enhancement Act of 1993 (Public Law 103-81; 15 U.S.C. 631 note) is amended by striking the item relating to section 7.

SEC. 110. STTR PROGRAM EXTENSION.

Section 9(n)(1)(C) (15 U.S.C. 638(n)(1)(C)) is amended by striking ``fiscal year 1996'' and inserting ``fiscal years 1996 and 1997''.

SEC. 111. LEVEL OF PARTICIPATION FOR EXPORT WORKING CAPITAL LOANS.

Section 7(A)(2) (15 U.S.C. 636(A)(2)) is amended by adding at the end the following:

``(D) Participation under export working capital program.--Notwithstanding subparagraph (A), in an agreement to participate in a loan on a deferred basis under the Export Working Capital Program established pursuant to paragraph (14)(A), such participation by the Administration shall not exceed 90 percent.''.

TITLE II--AMENDMENTS TO SMALL BUSINESS INVESTMENT ACT

SEC. 201. REFERENCES.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.).

SEC. 202. MODIFICATIONS TO DEVELOPMENT COMPANY DEBENTURE PROGRAM.

(a) Decreased Loan to Value Ratios.--Section 502(3) (15 U.S.C. 696(3)) is amended to read as follows:

``(3) Criteria for assistance.--

``(A) In general.--Any development company assisted under this section or section 503 of this title must meet the criteria established by the Administration, including the extent of participation to be required or amount of paid-in capital to be used in each instance as is determined to be reasonable by the Administration.

``(B) Community injection funds.--

``(i) Sources of funds.--Community injection funds may be derived, in whole or in part, from--

``(I) State or local governments;

``(II) banks or other financial institutions;

``(III) foundations or other not-for-profit institutions; or

``(IV) the small business concern (or its owners, stockholders, or affiliates) receiving assistance through a body authorized by this title.

``(ii) Funding from institutions.--
Not less than 50 percent of the total cost of any project financed pursuant to clauses (i), (ii), or (iii) of subparagraph (C) shall come from the institutions described in subclauses (I), (II), and (III) of clause (i).

``(C) Funding from a small business concern.--The small business concern (or its owners, stockholders, or affiliates) receiving assistance through a body authorized by this title shall provide--

``(i) at least 15 percent of the total cost of the project financed, if the small business concern has been in operation for a period of 2 years or less;

``(ii) at least 15 percent of the total cost of the project financed if the project involves the construction of a limited or single purpose building or structure;

``(iii) at least 20 percent of the total cost of the project financed if the project involves both of the conditions set forth in clauses (i) and (ii); or

``(iv) at least 10 percent of the total cost of the project financed, in all other circumstances, at the discretion of the development company.".

(b) Guarantee Fee for Development Company Debentures.--
Section 503(b)(7)(A) (15 U.S.C. 697(b)(7)(A)) is amended by striking ``equal to 0.125 percent" and all that follows before the semicolon and inserting the following: ``equal to the lesser of--

``(i) 0.9375 percent per year of the outstanding balance of the loan; or

``(ii) such percentage per year of the outstanding balance of the loan as the Administrator may determine to be necessary to reduce the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to an amount that, taking into consideration any available appropriated funds, would permit the Administration to purchase or guarantee $2,000,000,000 of debentures in fiscal year 1997".

(c) Fees To Offset Subsidy Cost.--Section 503(d) (15

U.S.C. 697(d)) is amended to read as follows:
``(d) Charges for Administration Expenses.--
``(1) Level of charges.--The Administration may impose an additional charge for administrative expenses with respect to each debenture for whichpayment of principal and interest is guaranteed under subsection (a).
``(2) Participation fee.--The Administration shall collect a one-time fee in an amount equal to 50 basis points on the total participation in any project of any institution described in subclause (I), (II), or (III) of section 502(3)(B)(i). Such fee shall be imposed only when the participation of the institution will occupy a senior credit position to that of the development company. All proceeds of the fee shall be used to offset the cost (as that term is defined in section 502 of the Credit Reform Act of 1990) to the Administration of making guarantees under subsection (a).
``(3) Development company fee.--The Administration shall collect annually from each development company a fee of 0.125 percent of the outstanding principal balance of any guaranteed debenture authorized by the Administration after September 30, 1996. Such fee shall be derived from the servicing fees collected by the development company pursuant to regulation, and shall not be derived from any additional fees imposed on small business concerns. All proceeds of the fee shall be used to offset the cost (as that term is defined in section 502 of the Credit Reform Act of 1990) to the Administration of making guarantees under subsection (a).''.
(d) Effective Date.--Section 503 (15 U.S.C. 697) is amended by adding at the end the following new subsection:
``(f) Effective Date.--The fees authorized by subsections (b) and (c) shall apply to financings approved by the Administration on or after October 1, 1996, but shall not apply to financings approved by the Administration on or after October 1, 1997.''.
(e) Calculation of Subsidy Rate.--Section 503 (15 U.S.C. 697a) is amended by adding at the end the following new subsection:
``(g) Calculation of Subsidy Rate.--All fees, interest, and profits received and retained by the Administration under this section shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act.''.

SEC. 203. REQUIRED ACTIONS UPON DEFAULT.

Section 503 (15 U.S.C. 697) is amended by adding at the end the following new subsection:
``(h) Required Actions Upon Default.--
``(1) Initial actions.--Not later than the 45th day

after the date on which a payment on a loan funded through a debenture guaranteed under this section is due and not received, the Administration shall--

``(A) take all necessary steps to bring such a loan current; or

``(B) implement a formal written deferral agreement.

``(2) Purchase or acceleration of debenture.--Not later than the 65th day after the date on which a payment on a loan described in paragraph (1) is due and not received, and absent a formal written deferral agreement, the administration shall take all necessary steps to purchase or accelerate the debenture.

``(3) Prepayment penalties.--With respect to the portion of any project derived from funds set forth in section 502(3), the Administration--

``(A) shall negotiate the elimination of any prepayment penalties or late fees on defaulted loans made prior to September 30, 1996;

``(B) shall not pay any prepayment penalty or late fee on the default based purchase of loans issued after September 30, 1996; and

``(C) for any project financed after September 30, 1996, shall not pay any default interest rate higher than the interest rate on the note prior to the date of default.''.

SEC. 204. LOAN LIQUIDATION PILOT PROGRAM.

(a) In General.--The Administrator shall carry out a loan liquidation pilot program (in this section referred to as the ``pilot program'') in accordance with the requirements of this section.

(b) Selection of Development Companies.--

(1) In general.--Not later than 90 days after the date of the enactment of this Act, the Administrator shall establish a pilot program under which certain development companies authorized to make loans and issue debentures under title V of the Small Business Investment Act of 1958 are selected by the Administrator in accordance with this subsection to carry out loan liquidations.

(2) Conflicts of interest.--The development companies selected under paragraph (1) shall agree not to take any action that would create a potential conflict of interest involving the development company, the third party lender, or an associate of the third party lender.

(3) Qualifications.--In order to qualify to participate in the pilot program under this section, each development company shall--

(A) have not less than 6 years of experience in the program established by title

V of the Small Business Investment Act of 1958;

(B) have made, during the 6 most recent fiscal years, an average of not less than 10 loans per year through the program established by such title V of the Small Business Investment Act of 1958;

(C) have not less than 2 years of experience in liquidating loans under the authority of a Federal, State, or other lending program; and

(D) meet such other requirements as the Administration may establish.

(c) Authority of Development Companies.--The development companies selected under subsection (b) shall, for loans in their portfolio of loans made through debentures guaranteed under title V of the Small Business Investment Act of 1958 that are in default after the date of enactment of this Act, be authorized to--

(1) perform all liquidation and foreclosure functions, including the acceleration or purchase of community injection funds, subject to such company obtaining prior written approval from the Administrator before committing the agency to purchase any other indebtedness secured by the property: Provided, That the Administrator shall approve or deny a request for such purchase within a period of 10 business days; and

(2) liquidate such loans in a reasonable and sound manner and according to commercially accepted practices pursuant to a liquidation plan approved by the Administrator in advance of its implementation. If the Administrator does not approve or deny a request for approval of a liquidation plan within 10 business days of the date on which the request is made (or with respect to any routine liquidation activity under such a plan, within 5 business days) such request shall be deemed to be approved.

(d) Authority of the Administrator.--In carrying out the pilot program, the Administrator shall--

(1) have full authority to rescind the authority granted any development company under this section upon a 10-day written notice stating the reasons for the rescission; and

(2) not later than 90 days after the admission of the development companies specified in subsection (b), implement the pilot program.

(e) Report.--

(1) In general.--The Administrator shall issue a report on the results of the pilot program to the Committees on Small Business of the House of Representatives and the Senate. The report shall include information relating to--

(A) the total dollar amount of each loan and project liquidated;

(B) the total dollar amount guaranteed by

the Administration;
(C) total dollar losses;
(D) total recoveries both as percentage of the amount guaranteed and the total cost of the project; and
(E) a comparison of the pilot program information with the same information for liquidation conducted outside the pilot program over the period of time.
(2) Reporting period.--The report shall be based on data from, and issued not later than 90 days after the close of, the first eight fiscal quarters of the pilot program's operation after the date of implementation.

SEC. 205. REGISTRATION OF CERTIFICATES.

(a) Certificates Sold Pursuant to Small Business Act.--Section 5(h) of the Small Business Act (15 U.S.C. 634(h)) is amended--
(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D);
(2) by striking ``(h)'' and inserting ``(h)(1)'';
(3) by striking subparagraph (A), as redesignated by paragraph (1) of this subsection, and inserting the following:
``(A) provide for a central registration of all loans and trust certificates sold pursuant to subsections (f) and (g) of this section;''; and
(4) by adding at the end the following:
``(2) Nothing in this subsection shall prohibit the utilization of a book-entry or other electronic form of registration for trust certificates. The Administration may, with the consent of the Secretary of the Treasury, use the book-entry system of the Federal Reserve System.''.
(b) Certificates Sold Pursuant to Small Business Investment Company Program.--Section 321(f) (15 U.S.C. 687l(f)) is amended--
(1) in paragraph (1), by striking ``Such central registration shall include'' and all that follows through the period at the end of the paragraph; and
(2) by adding at the end the following:
``(5) Nothing in this subsection shall prohibit the use of a book-entry or other electronic form of registration for trust certificates.''.
(c) Certificates Sold Pursuant to Development Company Program.--Section 505(f) (15 U.S.C. 697b(f)) is amended--
(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D);
(2) by striking ``(f)'' and inserting ``(f)(1)'';
(3) by striking paragraph (A), as redesignated by paragraph (1) of this subsection, and inserting the following:

``(A) provide for a central registration of all trust certificates sold pursuant to this section;'' and

``(4) by adding at the end the following:

``(2) Nothing in this subsection shall prohibit the utilization of a book-entry or other electronic form of registration for trust certificates.''.

SEC. 206. PREFERRED SURETY BOND GUARANTEE PROGRAM.

(a) Admission of Additional Program Participants.--Section 411(a) (15 U.S.C. 694(a)) is amended by adding a new paragraph (5), as follows:

``(5)(A) The Administration shall promptly act upon an application from a surety to participate in the Preferred Surety Bond Guarantee Program, authorized by paragraph (3), in accordance with criteria and procedures established in regulations pursuant to subsection (d).

``(B) The Administration is authorized to reduce the allotment of bond guarantee authority or terminate the participation of a surety in the Preferred Surety Program Guarantee Program based on the rate of participation of such surety during the 4 most recent fiscal year quarters compared to the median rate of participation by the other sureties in the program.''.

(b) Effective Date.--The amendments made by subsection (a) shall apply with respect to applications received (or pending substantive evaluation) on or after October 1, 1995.

SEC. 207. SENSE OF THE CONGRESS.

(a) In General.--It is the sense of the Congress that the subsidy models prepared by the Office of Management and Budget relative to loan programs sponsored by the United States Small Business Administration have a tendency to--

(1) overestimate potential risk of loss; and

(2) overemphasize historical losses that may be anomalous and do not truly reflect the success of the programs as a whole.

(b) Independent Study.--Consequently, the Congress mandates the independent study in section 103(h) in an attempt to improve the ability of the Office of Management and Budget to reflect more accurately the budgetary implications of such programs.

SEC. 208. SMALL BUSINESS INVESTMENT COMPANY IMPROVEMENTS.

(a) Definitions.--

(1) Small Business Concern.--Section 103(5) (15 U.S.C. 662(5)) is amended by inserting before the semicolon the following: ``, except that, for purposes of this Act, an investment by a venture capital firm, investment company (including a small business

investment company) employee welfare benefit plan or pension plan, or trust, foundation, or endowment that is exempt from Federal income taxation--

``(A) shall not cause a business concern to be deemed not independently owned and operated;

``(B) shall be disregarded in determining whether a business concern satisfies size standards established pursuant to section 3(a)(2) of the Small Business Act; and

``(C) shall be disregarded in determining whether a small business concern is a smaller enterprise".

(2) Private capital.--Section 103(9) (15 U.S.C. 662(9)) is amended to read as follows:

``(9) the term `private capital'--

``(A) means the sum of--

``(i) the paid-in capital and paid-in surplus of a corporate licensee, the contributed capital of the partners of a partnership licensee, or the equity investment of the members of a limited liability company licensee; and

``(ii) unfunded binding commitments, from investors that meet criteria established by the Administrator, to contribute capital to the licensee: Provided, That such unfunded commitments may be counted as private capital for purposes of approval by the Administrator of any request for leverage, but leverage shall not be funded based on such commitments; and

``(B) does not include any--

``(i) funds borrowed by a licensee from any source;

``(ii) funds obtained through the issuance of leverage; or

``(iii) funds obtained directly or indirectly from any Federal, State, or local government, or any government agency or instrumentality, except for--

``(I) funds invested by an employee welfare benefit plan or pension plan; and

``(II) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the licensee);".

(3) New definitions.--Section 103 (15 U.S.C. 662) is amended by striking paragraph (10) and inserting the following:

``(10) the term `leverage' includes--

``(A) debentures purchased or guaranteed by the Administration;

``(B) participating securities purchased or guaranteed by the Administration; and

``(C) preferred securities outstanding as of October 1, 1995;

``(11) the term `third party debt' means any indebtedness for borrowed money, other than indebtedness owed to the Administration;

``(12) the term `smaller enterprise' means any small business concern that, together with its affiliates--

``(A) has--

``(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this Act to that business concern; and

``(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this Act to that business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses); or

``(B) satisfies the standard industrial classification size standards established by the Administration for the industry in which the small business concern is primarily engaged;

``(13) the term `qualified nonprivate funds' means any--

``(A) funds directly or indirectly invested in any applicant or licensee on or before August 16, 1982, by any Federal agency, other than the Administration, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term `private capital';

``(B) funds directly or indirectly invested in any applicant or licensee by any Federal agency under a provision of law enacted after September 4, 1992, explicitly mandating the inclusion of those funds in the definition of the term `private capital'; and

``(C) funds invested in any applicant or licensee by one or more State or local government entities (including any guarantee extended by those entities) in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or licensee;

``(14) the terms `employee welfare benefit plan' and `pension plan' have the same meanings as in section 3 of the Employee Retirement Income Security Act of 1974, and are intended to include--

``(A) public and private pension or retirement plans subject to such Act; and

``(B) similar plans not covered by such Act that have been established and that are maintained by the Federal Government or any State or political subdivision, or any agency or instrumentality thereof, for the benefit of employees;

``(15) the term `member' means, with respect to a licensee that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company; and

``(16) the term `limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company statute approved by the Administration.''.

(b) Organization of Small Business Investment Companies.--

(1) Limited liability companies.--Section 301(a) (15 U.S.C. 681(a)) is amended in the first sentence, by striking ``body or'' and inserting ``body, a limited liability company, or''

(2) Issuance of license.--Section 301(c) (15 U.S.C. 681(c)) is amended to read as follows:

``(c) Issuance of License.--

``(1) Submission of application.--Each applicant for a license to operate as a small business investment company under this Act shall submit to the Administrator an application, in a form and including such documentation as may be prescribed by the Administrator.

``(2) Procedures.--

``(A) Status.--Not later than 90 days after the initial receipt by the Administrator of an application under this subsection, the Administrator shall provide the applicant with a written report detailing the status of the application and any requirements remaining for completion of the application.

``(B) Approval or disapproval.--Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Administrator may prescribe by regulation, the Administrator shall--

``(i) approve the application and issue a license for such operation to the applicant if the requirements of this section are satisfied; or

``(ii) disapprove the application and notify the applicant in writing of the disapproval.

``(3) Matters considered.--In reviewing and processing any application under this subsection, the Administrator--

``(A) shall determine whether--

``(i) the applicant meets the requirements of subsections (a) and (c) of section 302; and

``(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this Act;

``(B) shall take into consideration--

``(i) the need for and availability of financing for small business concerns in the geographic area in which the applicant is to commence business;

``(ii) the general business reputation of the owners and management of the applicant; and

``(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

``(C) shall not take into consideration any projected shortage or unavailability of leverage.

``(4) Exception.--

``(A) In general.--Notwithstanding any other provision of this Act, the Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, approve an application and issue a license under this subsection with respect to any applicant that--

``(i) has private capital of not less than $3,000,000;

``(ii) would otherwise be issued a license under this subsection, except that the applicant does not satisfy the requirements of section 302(a); and

``(iii) has a viable business plan

reasonably projecting profitable operations and a reasonable timetable for achieving a level of private capital that satisfies the requirements of section 302(a).

``(B) Leverage.--An applicant licensed pursuant to the exception provided in this paragraph shall not be eligible to receive leverage as a licensee until the applicant satisfies the requirements of section 302(a).''.

(3) Specialized small business investment companies.--

(A) Repeal.--Section 301(d) (15 U.S.C. 681(d)) is repealed.

(B) Effect on existing licenses.--The repeal under subparagraph (A) shall not be construed to require the Administrator to cancel, revoke, withdraw, or modify any license issued under section 301(d) of the Small Business Investment Act of 1958 before the date of enactment of this Act.

(c) Capital Requirements.--

(1) Increased minimum capital requirements.--Section 302(a) (15 U.S.C. 682(a)) is amended by striking ``(a)'' and all that follows through ``The Administration shall also determine the ability of the company,'' and inserting the following:

``(a) Amount.--

``(1) In general.--Except as provided in paragraph (2), the private capital of each licensee shall be not less than--

``(A) $5,000,000; or

``(B) $10,000,000, with respect to each licensee authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Administration under this Act.

``(2) Exception.--The Administrator may, in the discretion of the Administrator and based on a showing of special circumstances and good cause, permit the private capital of a licensee authorized or seeking authorization to issue participating securities to be purchased or guaranteed by the Administration to be less than $10,000,000, but not less than $5,000,000, if the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

``(3) Adequacy.--In addition to the requirements of paragraph (1), the Administrator shall--

``(A) determine whether the private capital of each licensee is adequate to assure a reasonable prospect that the licensee will be operated soundly and profitably, and managed actively and prudently in accordance with its articles; and

``(B) determine that the licensee will be able".

(2) Exemption for certain licensees.--Section 302(a) (15 U.S.C. 682(a)) is amended by adding at the end the following new paragraph:

``(4) Exemption from capital requirements.--The Administrator may, in the discretion of the Administrator, approve leverage for any licensee licensed under subsection (c) or (d) of section 301 before the date of enactment of the Small Business Program Improvement Act of 1996 that does not meet the capital requirements of paragraph (1), if--

``(A) the licensee certifies in writing that not less 50 percent of the aggregate dollar amount of its financings after the date of enactment of the Small Business Program Improvement Act of 1996 will be provided to smaller enterprises; and

``(B) the Administrator determines that such action would not create or otherwise contribute to an unreasonable risk of default or loss to the United States Government.".

``(3) Diversification of ownership.--Section 302(c) (15 U.S.C. 682(c)) is amended to read as follows:

``(c) Diversification of Ownership.--The Administrator shall ensure that the management of each licensee licensed after the date of enactment of the Small Business Program Improvement Act of 1996 is sufficiently diversified from and unaffiliated with the ownership of the licensee in a manner that ensures independence and objectivity in the financial management and oversight of the investments and operations of the licensee.".

(d) Borrowing.--

``(2) Debentures.--Section 303(b) (15 U.S.C. 683(b)) is amended in the first sentence, by striking ``(but only" and all that follows through ``terms)".

``(2) Third party debt.--Section 303(c) (15 U.S.C. 683(c)) is amended to read as follows:

``(c) Third Party Debt.--The Administrator--

``(1) shall not permit a licensee having outstanding leverage to incur third party debt that would create or contribute to an unreasonable risk of default or loss to the Federal Government; and

``(2) shall permit such licensees to incur third party debt only on such terms and subject to such conditions as may be established by the Administrator, by regulation or otherwise.".

(3) Requirement to finance smaller enterprises.--Section 303(d) (15 U.S.C. 683(d)) is amended to read as follows:

``(d) Requirement to Finance Smaller Enterprises.--The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing that not less than 20 percent of the aggregate dollar amount of the financings of the licensee will be provided to smaller enterprises.''.

(4) Capital impairment requirements.--

(A) In general.--Section 303(e) (15 U.S.C. 683(e)) is amended to read as follows:

``(e) Capital Impairment.--Before approving any application for leverage submitted by a licensee under this Act, the Administrator--

``(1) shall determine that the private capital of the licensee meets the requirements of section 302(a); and

``(2) shall determine, taking into account the nature of the assets of the licensee, the amount and terms of any third party debt owed by such licensee, and any other factors determined to be relevant by the Administrator, that the private capital of the licensee has not been impaired to such an extent that the issuance of additional leverage would create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.''.

(B) Regulations.--

(i) Uniform applicability.--Any regulation issued by the Administration to implement section 303(e) of the Small Business Investment Act of 1958 that applies to any licensee with outstanding leverage obtained before the effective date of that regulation, shall apply uniformly to all licensees with outstanding leverage obtained before that effective date.

(ii) Definitions.--For purposes of this subparagraph, the terms ``Administration'', ``leverage'' and ``licensee'' have the same meanings as in section 103 of the Small Business Investment Act of 1958.

(5) Equity investment requirement.--Section 303(g)(4) (15 U.S.C. 683(g)(4)) is amended by striking ``and maintain''.

(6) Fees.--Section 303 (15 U.S.C. 683) is amended--

(A) in subsection (b), in the fifth sentence, by striking ``1 per centum'', and all that follows before the period at the end of the sentence and inserting the following: ``1 percent, plus an additional charge of 1 percent per annum which shall be paid to and retained by the Administration'';

(B) in subsection (g)(2), by striking ``1 per centum,'' and all that follows before the period at the end of the paragraph and inserting the following: ``1 percent, plus an additional charge of 1 percent per annum which shall be paid to and retained by the Administration"; and

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

``(i) Leverage Fee.--With respect to leverage granted by the Administration to a licensee, the Administration shall collect from the licensee a nonrefundable fee in an amount equal to 3 percent of the face amount of leverage granted to the licensee, payable upon the earlier of the date of entry into any commitment for such leverage or the date on which the leverage is drawn by the licensee.

``(j) Calculation of Subsidy Rate.--All fees, interest, and profits received and retained by the Administration under this section shall be included in the calculations made by the Director of the Office of Management and Budget to offset the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990)to the Administration of purchasing and guaranteeing debentures and participating securities under this Act.".

(e) Liability of the United States.--Section 308(e) (15 U.S.C. 687(e)) is amended by striking ``Nothing" and inserting ``Except as expressly provided otherwise in this Act, nothing".

(f) Examinations; Valuations.--

(1) Examinations.--Section 310(b) (15 U.S.C. 687b(b)) is amended in the first sentence by inserting ``which may be conducted with the assistance of a private sector entity that has both the qualifications to conduct and expertise in conducting such examinations," after ``Investment Division of the Administration,".

(2) Valuations.--Section 310(d) (15 U.S.C. 687b(d)) is amended to read as follows:

``(d) Valuations.--

``(1) Frequency of valuations.--

``(A) In general.--Each licensee shall submit to the Administrator a written valuation of the loans and investments of the licensee not less often than semiannually or otherwise upon the request of the Administrator, except that any licensee with no leverage outstanding shall submit such valuations annually, unless the Administrator determines otherwise.

``(B) Material adverse changes.--Not later than 30 days after the end of a fiscal quarter of a licensee during which a material adverse change in the aggregate valuation of the loans and investments or operations of the licensee occurs, the licensee shall notify the Administrator in writing of the nature and extent of that change.

``(C) Independent certification.--

``(i) In General.--Not less than

once during each fiscal year, each licensee shall submit to the Administrator the financial statements of the licensee, audited by an independent certified public accountant approved by the Administrator.

``(ii) Audit requirements.--Each audit conducted under clause (i) shall include--

``(I) a review of the procedures and documentation used by the licensee in preparing the valuations required by this section; and

``(II) a statement by the independent certified public accountant that such valuations were prepared in conformity with the valuation criteria applicable to the licensee established in accordance with paragraph (2).

``(2) Valuation criteria.--Each valuation submitted under this subsection shall be prepared by the licensee in accordance with valuation criteria, which shall--

``(A) be established or approved by the Administrator; and

``(B) include appropriate safeguards to ensure that the noncash assets of a licensee are not overvalued.''.

(g) Trustee or Receivership Over Licensees.--

(1) Finding.--It is the finding of the Congress that increased recoveries on assets in liquidation under the Small Business Investment Act of 1958 are in the best interests of the Federal Government.

(2) Definitions.--For purposes of this subsection--

(A) the term ``Administrator'' means the Administrator of the Small Business Adminstration;

(B) the term ``Administration'' means the Small Business Administration; and

(C) the term ``licensee'' has the same meaning as in section 103.

(3) Liquidation plan.--

(A) In general.--Not later than January 15, 1997, the Administrator shall submit to the Committees on Small Business of the Senate and the House of Representatives a detailed plan to expedite the orderly liquidation of all licensee assets in liquidation, including assets of licensees in receivership or in trust held by or under the control of the Administration or its agents.

(B) Contents.--The plan submitted under

paragraph (1) shall include a timetable for liquidating the liquidation portfolio of small business investment company assets owned by the Administration, and shall contain the findings and recommendations of the Administrator on various options providing for the fair and expeditious liquidation of such assets within a reasonable period of time, giving due consideration to the option of entering into one or more contracts with private sector entities having the capability to carry out the orderly liquidation of similar assets.

(h) Technical and Conforming Amendments.--

(1) Small business investment act of 1958.--The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended--

(A) in section 303--

(i) in subsection (a), by striking ``debenture bonds,'' and inserting ``securities,'';

(ii) by striking subsection (f) and inserting the following:

``(f) Redemption or Repurchase of Preferred Stock.--Notwithstanding any other provision of law--

``(1) the Administrator may allow the issuer of any preferred stock sold to the Administration before November 1, 1989 to redeem or repurchase such stock, upon the payment to the Administration of an amount less than the par value of such stock, for a repurchase price determined by the Administrator after consideration of all relevant factors, including--

``(A) the market value of the stock;

``(B) the value of benefits provided and anticipated to accrue to the issuer;

``(C) the amount of dividends paid, accrued, and anticipated; and

``(D) the estimate of the Administrator of any anticipated redemption; and

``(2) any moneys received by the Administration from the repurchase of preferred stock shall be available solely to provide debenture leverage to licensees having 50 percent or more in aggregate dollar amount of their financings invested in smaller enterprises.''; and

(iii) in subsection (g)(8)--

(I) by striking ``partners or shareholders'' and inserting ``partners, shareholders, or members'';

(II) by striking ``partner's or shareholder's'' and inserting ``partner's, shareholder's, or member's''; and

(III) by striking ``partner or shareholder'' and inserting ``partner, shareholder, or member'';

(B) in section 308(h), by striking ``subsection (c) or (d) of section 301'' each place that term appears and inserting ``section 301'';

(C) in section 310(c)(4), by striking ``not less than four years in the case of section 301(d) licensees and in all other cases,'';

(D) in section 312--

(i) by striking ``shareholders or partners'' and inserting ``shareholders, partners, or members''; and

(ii) by striking ``shareholder, or partner'' each place that term appears and inserting ``shareholder, partner, or member'';

(E) by striking sections 317 and 318, and redesignating sections 319 through 322 as sections 317 through 320, respectively;

(F) in section 319, as redesignated--

(i) in subsection (a), by striking ``, including companies operating under the authority of section 301(d),''; and

(ii) in subsection (f)(2), by inserting ``or investments in obligations of the United States'' after ``accounts'';

(G) in section 320, as redesignated, by striking ``section 321'' and inserting ``section 319''; and

(H) in section 509--

(i) in subsection (a)(1), by striking the second sentence; and

(ii) in subsection (e)(1)(B), by striking ``subsection (c) or (d) of section 301'' and inserting ``section 301''.

(2) Amendment in other law.--Section 11(h) of the Federal Home Loan Bank Act (12 U.S.C. 1431(h)) is amended by striking ``301(d)'' and inserting ``301''.

(i) Amendments to the Small Business Act.--

(1) Powers of the administrator.--Section 5(b)(7) of the Small Business Act (15 U.S.C. 634(b)(7)) is amended by striking the colon and all that follows before the semicolon at the end of the paragraph and inserting the following: ``: Provided, That with respect to deferred participation loans, the Administrator may, in the discretion of and pursuant to regulations promulgated by the Administrator, authorize participating lending institutions to take actions

relating to loan servicing on behalf of the Administrator, including determining eligibility and creditworthiness and loan monitoring, collection, and liquidation".

(2) Authorization of appropriations.--Section 20(p)(3) of the Small Business Act (15 U.S.C. 631 note) is amended by striking subparagraph (B) and inserting the following:

``(B) $300,000,000 in guarantees of debentures; and".

(j) Effective Date.--This section and the amendments made by this section shall become effective on the date of enactment of this Act.

DIVISION E

TITLE I--CALIFORNIA BAY-DELTA ENVIRONMENTAL ENHANCEMENT AND WATER SECURITY ACT

SEC. 101. SHORT TITLE.

This title may be cited as the ``California Bay-Delta Environmental Enhancement and Water Security Act."

SEC. 102. PROGRAM FUNDING.

(a) Authorization of Appropriations.--For each of the fiscal years 1998, 1999 and 2000, there are authorized to be appropriated an additional $143,300,000 for both (1) the initial Federal share of the cost of developing and implementing that portion of an ecosystem protection plan for the Bay-Delta, referred to as ``the Category III program" emanating out of the document entitled ``Principles for Agreement on Bay-Delta Standards Between the State of California and the Federal Government," dated December 15, 1994, and, (2) the initial Federal share of the cost of developing and implementing the ecosystem restoration elements of the long-term CALFED Bay-Delta Program, pursuant to the cost-sharing agreement required by Section 78684.10 of California Senate Bill 900, Chapter 135, Statutes of 1996, signed by the Governor of California on July 11, 1996. Funds appropriated pursuant to this section shall remain available until expended and shall be administered in accordance with procedures established by CALFED Bay-Delta Program until Congress authorizes another entity that is recommended by CALFED Bay-Delta Program to carry out this section.

(b) Funds authorized to be appropriated pursuant to this section to those agencies that are currently or subsequently become participants in the CALFED Bay-Delta Program shall be in addition to the baseline funding levels established pursuant to section 103 of this title, for currently authorized projects and programs under the Central Valley Project Improvement Act, Title 34 of Public Law 102-575 and other currently authorized Federal programs for the purpose of Bay-Delta ecosystem protection and restoration.

(c) Nothing in this title shall be deemed to diminish the Federal interest in and responsibility for working with the State of California through the CALFED Bay-Delta Program in developing, funding and implementing a balanced, long-term solution to the problems of ecosystem quality, water quality, water supply and reliability, and system vulnerability affecting the San Francisco Bay/Sacramento-San Joaquin Delta Watershed in California. Participation in such long-term solution shall only be undertaken pursuant to authorization provided by law other than this title, and shall be based on the equitable allocation of program costs among beneficiary groups that the CALFED Bay-Delta programs shall develop.

(d) To the extent not otherwise authorized, those agencies and departments that are currently or subsequently become participants in the CALFED Bay-Delta Program are hereby authorized to undertake the activities and programs for which Federal cost sharing is provided by this section. The United States shall immediately initiate coordinated consultations and negotiations with the State of California to expeditiously execute the cost-sharing agreement required by Section 78684.10 of California Senate Bill 900, Chapter 135, Statutes of 1996, signed by the Governor of California on July 11, 1996. Such activities shall include, but not be limited to, planning, design, technical assistance and construction for ecosystem restoration programs and projects.

SEC.103. BUDGET CROSSCUT.

The Office of Management and Budget is directed to submit to the House and Senate Committees on Appropriations, as part of the President's Fiscal Year 1998 Budget, an interagency budget crosscut that displays Federal spending for fiscal years 1993 through 1998 on ecosystem restoration and other purposes in the Bay-Delta region, separately showing funding provided previously or requested under both pre-existing authorities and new authorities granted by this title.

SEC. 104. EFFECTIVE DATE.

Section 102 of this title shall take effect on the date of passage of California State Proposition 204.

This Act may be cited as the ``Omnibus Consolidated Appropriations Act, 1997"

And amend the title to read as follows:

An Act making omnibus consolidated appropriations for the fiscal year ending September 30, 1997, and for other purposes.

And the Senate agree to the same.

Bill Young,
Joseph M. McDade,
Bob Livingston,
Jerry Lewis (except for chapter 6 of title V of division A),
Joe Skeen,

Dave Hobson,
Henry Bonilla,
George R. Nethercutt, Jr.,
Ernest Istook,
John P. Murtha,
Norm Dicks,
Charles Wilson,
W.G. Bill Hefner,
Martin Olav Sabo,
David Obey,
Managers on the Part of the House.
Ted Stevens,
Thad Cochran,
Pete V. Domenici,
Christopher S. Bond (except for chapter 6 of title V of division A),
Mitch McConnell,
Connie Mack,
Richard C. Shelby,
Mark O. Hatfield,
Daniel K. Inouye (with reservation),
Fritz Hollings,
J. Bennett Johnson,
Robert Byrd,
Patrick J. Leahy,
Frank R. Lautenberg,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying report.

The composition of this conference agreement includes more than the Department of Defense Appropriations Act for fiscal year 1997. While the House version of H.R. 3610 and the Senate amendment in the nature of a substitute dealt only with defense appropriations, the conference report was expanded to include other matters, most significantly, other fiscal year 1997 appropriations for other departments and agencies. These appropriations are included in title I of this conference agreement and are organized in groupings as they would have been had they been enacted in their regular appropriations act. Explanation of the matters included in this conference agreement follows.

ANTITERRORISM, COUNTERTERRORISM, AND SECURITY FUNDING

The conference agreement includes funding for antiterrorism, counterterrorism, and security initiatives. The following table shows the programs, the location of the funding provision in the conference agreement, and the amount of funding for these initiatives.

Antiterrorism, counterterrorism, and security funding
[Budget authority, in millions of dollars]

	FY 1997 Conference Agreement
TITLE I, SEC. 101(a)--DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES	
The Judiciary: Antiterrorism and Effective Death Penalty Act workload/security	10.0
Department of Commerce: Export Administration: Hire criminal investigators/engineers to review export licenses	3.9
Department of Justice:	
Security upgrades from General Administration account	3.6
Counterterrorism fund \1\	20.0
Executive Office of Immigration Review: Removal of criminal aliens/immigration court security	1.0
Criminal Division: Investigations and prosecutions of terrorist cases	1.7
US Attorneys: Wiretap activity/computer fraud/building security	10.9
Federal Bureau of Investigation:	
Additional positions/antiterrorism support:	
Gore Commission Recommendation	168.6
Other	7.0
Drug Enforcement Administration: Additional security for buildings and vehicles	5.0
Immigration and Naturalization Service: Detention of criminal aliens and enhanced intelligence	15.0
Office of Justice programs: Antiterrorism preparedness training for rural law enforcement	17.0
Department of State: Upgrade security at US government facilities overseas	\2\ 48.5
United States Information Agency: Upgrade security at overseas and domestic facilities	\2\ 1.4
Subtotal, Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies	313.6
TITLE I, SEC. 101(b)--DEPARTMENT OF DEFENSE	
Military personnel, Army	4.8
Military personnel, Air Force	4.0
Operation and maintenance, Army	36.4
Operation and maintenance, Navy	24.0
Operation and maintenance, Marine Corps	0.6
Operation and maintenance, Air Force	78.2

Operation and maintenance, Defense-wide.................... 29.5
Operation and maintenance, Navy Reserve.................... 0.5
Other procurement, Army.................................... 16.9
Other procurement, Air Force............................... 115.1
Procurement, Defense-wide.................................. 35.4
Research, Development, Test and Evaluation, Defense-wide.... 8.0

Subtotal, Department of Defense...................... 353.3

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TITLE I, SEC. 101(c)--FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

US Agency for International Development: Improve security for overseas facilities/personnel......................... 0.6

TITLE V, CHAPTER 7--FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

Department of State: Provide training for foreign security personnel.. 18.0

Subtotal, Foreign Operations (Title I and Title V).... 18.6

===========

TITLE I, SEC. 101(d)--DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Department of the Interior:
Fish and Wildlife Service: Security/antiterrorism upgrades.. 1.5
National Park Service: Upgrade security at high-profile National Park Service sites........................... 8.6
Smithsonian:
General upgrade of security systems.................... 0.9
Upgrade security at the Kennedy Center................. 5.0
Upgrade security at the National Gallery................ 0.4
Holocaust Memorial Council: Upgrade security at Holocaust Museum.. 1.0

Subtotal, Department of the Interior and Related Agencies.. 17.4

===========

TITLE I, SEC. 101(e)--DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

Department of Health and Human Services:
Centers for Disease Control: Building security improvements at Atlanta headquarters.................. 23.0
General Departmental Management: Terrorism consequence management/Rapid Response Teams....................... 5.8

Subtotal, Departments of Labor, Health and Human Services, and Education, and Related Agencies........ 28.8

===========

TITLE V, CHAPTER 5--DEPARTMENT OF TRANSPORTATION AND

RELATED AGENCIES

Department of Transportation:
  Federal Aviation Administration:
    Purchase explosives detection devices/passenger
     profiling/screening................................. 197.6
    Additional aviation safety inspectors, airline
     certification, safety data systems, contract weather
     observers, and air traffic controller training....... 29.0
  Research and Special Programs Administration:
   Vulnerability threat assessment....................... 3.0
National Transportation Safety Board:
  TWA Flight 800 recovery (reimburse Navy)............... 6.0
  Replenish emergency fund.............................. 1.0

    Subtotal, Department of Transportation and Related
     Agencies.. 236.6
===========
    TITLE I, SEC. 101(f)--TREASURY, POSTAL SERVICE, AND
         GENERAL APPROPRIATIONS:
Department of the Treasury:
  Bureau of Alcohol, Tobacco, and Firearms:
    Taggant study (crime trust fund)..................... 18.3
    Federal training and certification for explosives
     detection.. 7.5
    Develop comprehensive training program for explosives
     detection.. 1.8
    Increase inspections for businesses which manufacture/
     use explosives..................................... 1.8
    Expand study of car bombs............................ 3.0
    Expand ability to collect and maintain data on
     explosives... 2.1
    Create equipped mobile forensics labs/rapid deployment
     teams.. 7.2
    Provide additional personnel for intelligence and
     investigation...................................... 14.2
    Counterterrorism fund \1\............................ 15.0
    Building security.................................... 6.7
    Other Bureau of Alcohol, Tobacco, and Firearms........ 3.0
  Office of Foreign Assets Control: Implement additional
   programs to seize assets of terrorism sponsors......... 0.3
  Federal Law Enforcement Training Center:
    Provide training for additional Federal law
     enforcement personnel.............................. 1.4
    Increase security at Glynco and Artesia site.......... 2.7
  Customs Service:
    Passenger screening.................................. 58.0
    Building security.................................... 2.2
  Secret Service: Provide more effective security for
   president/White House complex......................... 2.5
  Other Treasury: Increase security at Treasury facilities 14.7
Office of Personnel Management: Upgrade security at
 headquarters.. 0.2

Subtotal, Treasury, Postal Service, and General
Appropriations...................................... 162.4
===========

TITLE V, CHAPTER 6--DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

Federal Emergency Management Agency:		
Salaries and expenses.................................	3.0	
Emergency Management Planning and Assistance...........		12.0

Subtotal, Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies......		15.0
	===========	
Total antiterrorism funding..........................	1,145.7	
(Contingent emergency funds)...............................	(15.0)	

(Other)...	(1,130.7)	

\1\ Requested as contingent emergency appropriations.
\2\ Security upgrades at overseas facilities of the International Trade Administration and USIA are included under Department of State.

NATURAL DISASTER FUNDING

The conference agreement includes additional emergency funding for assistance to recover from the impacts of natural disasters such as Hurricane Fran. The following table shows the programs, the location of the funding provision in the conference agreement, and the amount of funding for this assistance.

HURRICANE AND FLOOD RECOVERY ASSISTANCE, AND FIREFIGHTI
NG FUNDING
[Budget authority, in millions of dollars]

	Administration request \1\	Conference agreement	Conference vs. request
HURRICANE AND FLOOD RECOVERY			
Title V, Chapter 1--Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies			
Natural Resources Conservation Service: Watershed and flood			

prevention operations.. 2
0.0 63.0 +43.0
Farm Service Agency: Emergency conservation program................ 2
0.0 25.0 +5.0

Subtotal, Departments of Agriculture, Rural Development, Food

and Drug Administration, and Related Agencies................ 4
0.0 88.0 +48.0
==========
==================================
Title I, Sec. 101(a)--Departments of Commerce, Justice, and State,

the Judiciary, and Related Agencies

Department of Commerce: Economic Development Administration:

Economic Development Assistance Programs \2\...................... 1
8.0 25.0 +7.0
Small Business Administration:

Disaster loans program account................................. 2
2.0 113.0 +91.0
Salaries and expenses... ....
..... 22.0 +22.0

Subtotal, Departments of Commerce, Justice, and State, the

Judiciary, and Related Agencies............................. 4
0.0 160.0 +120.0
==========
==================================
Title V, Chapter 3--Energy and Water Development

Army Corps of Engineers: Operations and maintenance, general........ 1
8.8 19.0 +0.2

Subtotal, Energy and Water Development........................ 1
8.8 19.0 +0.2
==========
==================================
Title I, Sec. 101(d)--Department of the Interior and Related

Agencies

Department of the Interior:

Bureau of Land Management:

Management of lands and resources............................ ....
..... 3.5 +3.5
Oregon and California grant lands............................ ....
..... 2.5 +2.5
US Geological Survey: Surveys, investigations, and research..... ....
..... 1.1 +1.1
Fish and Wildlife Service:

Resource management.. ....
..... 0.6 +0.6
Construction.. ....
..... 15.9 +15.9
National Park Service: Construction............................ ....
..... 3.0 +3.0
Bureau of Indian Affairs:

Operation of Indian Programs................................ ....
..... 6.6 +6.6
Construction.. ....
..... 6.0 +6.0
Department of Agriculture:

Forest Service:

National Forest System...................................... ....
..... 3.4 +3.4
Construction.. ....
..... 5.2 +5.2

Subtotal, Department of the Interior and Related Agencies... ....
..... 47.8 +47.8
==========
================================
Title V. Chapter 5--Department of Transportation and Related

Agencies

Department of Transportation: Federal Highways Administration:

Federal-aid Highways... 8
2.0 82.0 ....

Subtotal, Department of Transportation and Related Agencies... 8
2.0 82.0 ....
==========

==================================
Title V, Chapter 6--Departments of Veterans Affairs and Housing

and Urban Development, and Independent Agencies

Department of Housing and Urban Development:

Housing Programs: Flexible subsidy fund \2\..................... 1
0.0 .... -10.0
Community Planning and Development: Community Development Grants

\2\.. 10
0.0 .... -100.0

Subtotal, Departments of Veterans Affairs and Housing and

Urban Development, and Independent Agencies................ 11
0.0 .... -110.0

Total hurricane and flood relief........................... 29
0.8 396.8 +106.0
==========
==================================
FIREFIGHTING

Title I, Sec. 101(d)--Department of the Interior and Related

Agencies

Department of the Interior: Bureau of Land Management: Wildland fire

management \3\.. 10
0.0 100.0 ....

Department of Agriculture: Forest Service: Wildland fire management. 30
0.0 550.0 +250.0

Subtotal, Department of the Interior and Related Agencies..... 40
0.0 650.0 +250.0

Total firefighting.. 40
0.0 650.0 +250.0

Total hurricane and flood relief, and firefighting............ 69
0.8 1,046.8 +356.0
(Contingent emergency funds)... (17
8.0) (100.0) (-78.0)

(Other).. (51
2.8) (946.8) (+434.0)

\1\ Funds were requested by the Administration as FY 1996 supplemental appropri
ations. The conference agreement
provides FY 1997 appropriations.

\2\ Requested as contingent emergency appropriations.

\3\ $50 million requested as contingent emergency appropriations; conference ag
reement funds $100 million as
contingent.

SECTION 101(a)

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1997

The conferees on H.R. 3610 agree with the matter inserted in this subsection of this conference agreement and the following description of this matter. This matter was developed through negotiations on the differences in the House and Senate versions of H.R. 3814, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1997, by members of the appropriations subcommittee of both the House and Senate with jurisdiction over H.R. 3814. The legislative intent in the House and Senate versions of H.R. 3814 is set forth in the accompanying House report (H. Rept. 104-676) and the accompanying Senate report (S. Rept. 104-353).

TITLE I--DEPARTMENT OF JUSTICE

General Administration

salaries and expenses

The conference agreement includes $79,373,000 for General Administration, instead of $78,493,000 as proposed in the House bill and $70,653,000 as proposed in the Senate-reported bill. Of the amount provided $3,600,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. The conference agreement assumes that funding is provided in accordance with the House and Senate reports with the following exceptions:

Counterterrorism initiative.--The conference agreement provides $3,600,000, the full amount requested by the Administration in its recent budget amendment, to address the increasing threat of domestic and international terrorism. Included in the amount provided is $1,430,000 for the Office of Intelligence Policy and Review and $2,170,000 for security enhancements of the Main Justice building and field offices.

The conference agreement also provides $4,700,000 for Federal drug testing initiatives to be administered by the Attorney General in conjunction with the Federal Judiciary, and $2,000,000 for additional staffing for the Office of Professional Responsibility for investigations of allegations of attorney misconduct.

The conference agreement includes a provision, as proposed in the Senate-reported bill, that limits the number of positions and amounts for the Department Leadership program, but does not include a provision, as proposed in the House bill, that eliminates funding for the Office of the Associate Attorney General. The conference agreement also includes a provision as proposed in the Senate-reported bill, that freezes legislative and public affairs activities at fiscal year 1995 levels and prohibits these activities from being supplemented by reimbursable and non-reimbursable details. Similar provisions are included under other Department of Justice programs as well, in order to ensure that scarce resources are targeted to crime-fighting activities. These limitations are not intended to reduce the level of resources currently dedicated to casework activities.

counterterrorism fund

The conference agreement includes $29,450,000 for the Counterterrorism Fund, instead of $9,450,000 as proposed in the House bill and $40,000,000 as proposed in the Senate-reported bill. Of the amount provided, $20,000,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

The conference agreement does not include provisions, included in the Senate-reported bill, which would have transferred funding from this Fund to the Department of State and the U.S. Information Agency, the Commerce Department, and the Judiciary, for counterterrorism activities. Instead the conference agreement provides funding for counterterrorism activities of these agencies directly under these accounts. In addition, funding included in the Senate-reported bill for Joint Terrorism Task Forces and increased State and local support at the FBI Counterterrorism Center is included under the amounts provided for the Federal Bureau of Investigation. However, of the amount provided under this Fund, $3,000,000 is included for necessary counterterrorism security and communications infrastructure enhancements and upgrades in preparation for the 2002 Olympic games.

The conferees understand that in addition to amounts provided in this bill, unobligated balances of $8,982,000 remain available from previous appropriations for authorized purposes of this Fund.

administrative review and appeals

The conference agreement includes $111,000,000 for Administrative Review and Appeals instead of $112,000,000 as proposed in the House bill and $107,909,000 as proposed in the Senate-reported bill, of which $48,000,000 is provided from the Violent Crime Reduction Trust Fund (VCRTF) as proposed in both the House and Senate-reported bills. Of the total amount provided, $1,000,000 for enhanced security measures is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for counterterrorism-related activities.

The amount provided in the conference agreement is provided in accordance with the House and Senate reports with the following exceptions. The total amount provided includes $1,481,000 for the Office of the Pardon Attorney and $109,519,000 for the Executive Office for Immigration Review (EOIR). Within amounts provided for EOIR, $6,496,000 is included to support 24 additional immigration judges for border control and removal of criminal and non-criminal aliens, $1,935,000 is for 20 additional attorneys for the Board of Immigration Appeals, $3,500,000 is for ADP systems modernization, and $1,000,000 is for enhanced building and court security.

Office of Inspector General

The conference agreement includes $31,960,000 for the Office of Inspector General, as proposed in both the House and Senate-reported bills and assumes funding is provided in accordance with the House and Senate reports.

United States Parole Commission

salaries and expenses

The conference agreement includes $4,845,000 for the U.S. Parole Commission, instead of $4,490,000 as proposed in the House bill and $5,201,000 as proposed in the Senate-reported bill.

Legal Activities

salaries and expenses, general legal activities

The conference agreement includes $430,262,000 for General Legal Activities, instead of $428,543,000 as proposed in the House bill and $429,028,000 as proposed in the Senate-reported bill, of which $7,750,0000 is provided from the

Violent Crime Reduction Trust Fund (VCRTF) as proposed in both the House and Senate-reported bills. Of the total amount provided, $1,719,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for counterterrorism-related activities.

The amount provided in the conference agreement is provided in accordance with the House and Senate reports. In addition, $1,719,000 is provided for the Criminal Division for increased counterterrorism activities, including $629,000 and 6 attorneys for review of Title III wiretap requests, and $1,090,000 and 13 attorneys for increased investigations and prosecutions of domestic and international terrorism, as proposed in the Administration's budget amendment.

The conference agreement also includes a provision, included in the Senate-reported bill, that freezes legislative and public affairs staffing in this account at fiscal year 1995 levels.

the national childhood vaccine injury act

The conference agreement includes a reimbursement of $4,028,000 for fiscal year 1997 from the Vaccine Injury Compensation Trust Fund to the Department of Justice, as proposed in both the House and Senate-reported bills.

salaries and expenses, antitrust division

The conference agreement provides $92,447,000 for the Antitrust Division, instead of $84,336,000 as proposed in the House bill and $94,979,000 as proposed in the Senate-reported bill. The conference agreement assumes that of the amount provided, $58,905,000 will be derived from fees collected in fiscal year 1997 and $16,000,000 will be derived from estimated unobligated fee collections available from 1996. Use of any unobligated fee collections from 1996 above $16,000,000 is subject to the reprogramming requirements outlined in section 605 of this Act.

The conference agreement does not include a change in the fee structure for Hart-Scott-Rodino fees as proposed in the Senate-reported bill under the Federal Trade Commission, which would have eliminated the direct appropriation for this account.

salaries and expenses, united states attorneys

The conference agreement includes $978,116,000 for the U.S. Attorneys, instead of $974,905,000 as proposed in the House bill and $965,316,000 as proposed in the Senate-reported bill, of which $43,876,000 is provided from the Violent Crime Reduction Trust Fund (VCRTF) as proposed in the House bill instead of $31,000,000 as proposed in the Senate-reported bill. Of the total amount provided, $10,900,000 is designated by the

Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for counterterrorism-related activities.

The conference agreement provides for the following: (1) $4,641,000 and 35 attorneys to support immigration initiatives and increased drug prosecutions on the Southwest border; (2) $1,000,000 for Federal victims counselors to address violence against women; and (3) $10,900,000 for security upgrades at U.S. Attorneys offices to address the increasing threat of terrorism. In addition, as stated in the Senate report, to the extent possible within the resources provided, the Department of Justice should expand the pilot debt collection program.

The conference agreement also provides $1,900,000 to pay the costs of supervision and oversight of the Teamsters election. In addition, the Attorney General may provide an additional $1,900,000 for these costs from funds provided to the Department of Justice, subject to either the reprogramming requirements in section 605 of this Act or the transfer authorities in section 107 of this Act. The conferees agree that this is the final payment for this purpose.

The conference agreement also includes bill language, similar to language included in the House bill, to reflect the total number of positions and full-time equivalent (FTE) employment expected to be supported by the level of resources provided for the U.S. Attorneys in fiscal year 1997.

United States Trustee System Fund

The conference agreement provides $107,950,000 in budget (obligational) authority for the U.S. Trustees, to be entirely funded from offsetting fee collections, as proposed in both the House and Senate-reported bills. The amount provided in the conference agreement is provided in accordance with the House and Senate reports.

salaries and expenses, foreign claims settlement commission

The conference agreement provides $953,000 for the Foreign Claims Settlement Commission as proposed in the Senate-reported bill, instead of $878,000 as proposed by the House and assumes funding is provided in accordance with the House and Senate reports.

salaries and expenses, united states marshals service

The conference agreement includes $482,495,000 for the U.S. Marshals Service as provided in the Senate-reported bill, instead of $485,214,000 as proposed in the House bill. Of this amount, the conference agreement provides that $25,000,000 will be derived from the Violent Crime Reduction Trust Fund (VCRTF) as proposed in both the House and Senate-reported bills.

The amount included in the conference agreement is provided in accordance with the House and Senate reports and includes program increases as outlined in the Senate report. Increased resources of $2,000,000 requested in the Administration's recent budget amendment to support possible high-visibility terrorist trials can be provided from the Counterterrorism Fund, if needed.

The conference agreement also includes a provision, included in the Senate-reported bill, that freezes legislative and public affairs staffing in this account at fiscal year 1995 levels.

federal prisoner detention

The conference agreement provides $405,262,000 for Federal Prisoner Detention, as proposed in both the House and Senate-reported bills. The amount included in the conference agreement is provided in accordance with the House and Senate reports with the following exception.

Detention of Criminal Aliens at the Naval Air Station Miramar.--The conference agreement assumes that the Attorney General will continue to pursue alternative detention capacity in Southern California and consider potential Navy counter proposals to alleviate the need to detain criminal aliens at the Naval Air Station Miramar. While it is understood that the Attorney General is exploring a long-term solution involving a 1,000 bed private facility in San Diego to detain criminal aliens awaiting trial, it is further understood that this facility will not be available for at least another 18 to 20 months. In order to ensure that there is no negative impact on Federal prosecution policy by limiting detention capacity, the conference agreement assumes that the Miramar facility may be used in the short-term. The Attorney General is expected to submit a report on her efforts to find alternative detention space to Miramar to the Committee on Appropriations of both the House and Senate, by January 3, 1997. It is also expected that the Southern District of California's long-term detention problem will be addressed in the Department of Justice's updated Federal Detention Plan requested in the Senate report.

fees and expenses of witnesses

The conference agreement includes $100,702,000 for Fees and Expenses of Witnesses as proposed by the House, instead of $102,702,000 as proposed in the Senate-report bill and assumes funding is provided in accordance with the House report. Funds for alternative dispute resolution efforts may be identified within other accounts subject to the reprogramming requirements in section 605.

community relations service

The conference agreement provides $5,319,000 for the Community Relations Service, as proposed in both the House and Senate-reported bills and in accordance with both the House and Senate reports.

Assets Forfeiture Fund

The conference agreement provides $23,000,000 for the Assets Forfeiture Fund instead of $16,000,000 as proposed in the House bill and $30,000,000 as proposed in the Senate-reported bill, and assumes funding is provided in accordance with both the House and Senate reports.

Radiation Exposure Compensation

administrative expenses

The conference agreement includes $2,000,000 for administrative expenses in accordance with the Radiation Exposure Compensation Act, as proposed by both the House and Senate-reported bills.

payment to radiation exposure compensation trust fund

The conference agreement provides a program level of $30,000,000 for fiscal year 1997 for payments to the Radiation Exposure Compensation Trust Fund, as proposed by both the House and Senate-reported bills, of which $16,264,000 is available from an advance appropriation and $13,736,000 is available on September 30, 1997. The conference agreement assumes that funding is provided in accordance with the House and Senate reports.

Interagency Law Enforcement

interagency crime and drug enforcement

The conference agreement includes $359,430,000 for Interagency Crime and Drug Enforcement instead of $372,017,000 as proposed by the House and $352,461,000 as proposed by the Senate-reported bill. The level of funding provided by the conference agreement assumes that all participating agencies will continue at levels provided in 1996.

The conference agreement does not include language included in the Senate-reported bill that would make this the final Federal payment for this program. However, the conferees recognize that this program continues to support funding for non-Justice agencies and therefore restates the direction provided in fiscal year 1996 that the Administration should submit the budget requirements of non-Justice agencies for fiscal year 1998 within the budgets proposed for those agencies.

Federal Bureau of Investigation

salaries and expenses

The conference agreement includes $2,735,971,000 for the

Federal Bureau of Investigation (FBI), instead of $2,681,706,000 as proposed in the House bill and $2,650,653,000 as proposed in the Senate-reported bill, of which $169,000,000 is provided from the Violent Crime Reduction Trust Fund (VCRTF), instead of $153,000,000 as proposed in the House bill and $160,000,000 as proposed in the Senate-reported bill. Of the total amount provided, $115,610,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for counterterrorism-related activities. In addition, the conference agreement provides that not less than $147,081,000 shall be used for counterterrorism investigations, foreign counterintelligence, and other activities related to national security, instead of $133,081,000 as proposed by the House and $195,200,000 as proposed by the Senate-report bill. This statement of managers reflects the agreement of the conferees on how the funds provided in the conference report are to be spent. The total amount provided in the conference agreement reflects the effects of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) which shifts $38,000,000 of base funding for FBI health care fraud investigations to the Health Care Fraud and Abuse Control Account. This legislation was enacted into law following House passage and Senate Committee action on this bill.

Comprehensive Counterterrorism Initiative.--The conference agreement provides a significant increase for the FBI to address the increasing threat of domestic and international terrorism. It is noted that prior to the Administration's submission of a budget amendment for counterterrorism, both the House and Senate-reported bills exceeded the amount of funding requested by the Administration for the FBI to address terrorism. The Senate-reported bill, in particular, provided more than three times the funding requested for FBI counterterrorism activities. The conference agreement provides $157,743,000 in program increases to enhance the FBI's capability to address terrorism including: (1) $81,755,000 to support over 500 agents and support staff to combat terrorism, protect key physical assets, and establish a capability for chemical, biological, and nuclear investigations; (2) $2,700,000 to cover confidential case funding for the FBI-sponsored Joint Terrorism Task Forces and to increase State and local participation; (3) $3,750,000 for field counterterrorism operational support, including case-related travel and undercover operations funding; (4) $11,511,000 to support field electronic technicians for technical support to investigative and counterterrorism operations; (5) $1,172,000 to add FBI agents in Riyadh, Kiev, Tallinn, Warsaw, and Pretoria; (6) $5,013,000 and 17 agents to establish a Computer Investigations Threat Assessment Center (CITAC) at FBI headquarters to provide the capability to identify, investigate, and counter illegal intrusion into government computer networks; (7) $2,000,000 to establish a database to maintain and organize information relating to physical key assets; (8) $2,420,000 for expansion of FBI's Counterterrorism Special Projects aimed at gathering visual intelligence data; (9) $4,780,000 to establish Field Translation Centers staffed with contract translators to transcribe Arabic and Farsi languages; (10) $1,988,000 for State and local participation and administrative support at the Counterterroism Center; (11) $7,516,000 to establish a hazardous materials/chemical/biological/nuclear capability within the FBI laboratory; (12) $1,580,000 for equipment and training for Computer Analysis and Emergency Response Teams; (13) $3,200,000 for two mobile/deployable evidence response team laboratories and 12 evidence response team trailers; (14) $3,000,000 for advance render-safe response team equipment; (15) $1,618,000 to improve training provided to State and local public safety personnel at the hazardous devices school and to acquire advanced tools, crime scene gear, and related materials; (16) $370,000 to enhance criminal profiling for crimes involving terrorists and organizations that use chemical/biological/ nuclear materials, bombs, and arson; (17) $1,400,000 for development and deployment of a hazardous response forensic database; (18) $6,970,000 for upgraded security at FBI field offices; (19) $3,826,000 to expand the lookout/surveillance program to monitor State sponsors of terrorism; (20) $9,500,000 for grants to States authorized under the Antiterrorism and Effective Death Penalty Act of 1996 to establish, develop, update, or upgrade computerized identification systems that are compatible with NCIC, DNA forensic laboratories, and IAFIS; and (21) $5,500,000 for the FBI's Combined DNA Index System. The FBI should consider State and local automation and forensic projects as outlined in the House and Senate reports when providing grants to States for Identification Systems and DNA laboratories and should not provide ballistics imaging equipment to State or local authorities who have obtained similar equipment through another Federal grant or subsidy unless those State and local authorities have returned the equipment or repaid the grant or subsidy to the Federal government. In addition, the conference agreement assumes that the FBI and Secretary of State will provide a plan, as stated in the House report, to ensure that Consular Offices will have access to information currently available to the FBI to prevent the illegal entry of criminals and terrorists into the United States.

Violent Crime and Anti-Drug Initiative.--The conference agreement also provides $66,572,000 to enhance the FBI's capability to combat violent crime and drugs and to provide vital assistance to State and local law enforcement officers, including: (1) $14,289,000 and 75 agents to support a joint FBI/DEA investigative initiative targeting Mexican Drug Trafficking Organizations; (2) $5,734,000 to expand and support the FBI's Safe Streets Task Forces which focus on street gangs and drug-related violence; (3) $8,250,000 for continuation of the NCIC 2000 project, including enhancements to add a Deported Felon file and a Protective Order file to this system; (4) $20,240,000 for the establishment of the National Instant

Criminal Background Check system for handgun purchases; (5) $4,000,000 for State and local training and investigative assistance; (6) $8,334,000 to replace agent vehicles; and (7) $5,725,000 for wireless radio communications.

The conference agreement also includes $3,327,000 to address Freedom of Information and Privacy Act backlogs.

NCIC 2000.--The conference agreement adopts the recommendation included in the Senate report regarding baseline requirements of the NCIC 2000 system. This project, which is of vital importance to law enforcement personnel, has been delayed by over three and one half years and has required over $100,000,000 in additional resources above the original projected cost. The FBI has informed the Committees on Appropriations of both the House and Senate that an additional $30,000,000, above amounts provided to date, will be required to complete this project by August 1999. The conference agreement assumes that this funding will be provided from unobligated balances that will be transferred from the FBI to the Department of Justice Working Capital Fund in fiscal year 1997. In addition, the conference agreement provides $8,250,000 to add two new files to the system. In order to ensure that further delays and cost increases do not occur, the conference agreement supports the recommendation included in the Senate report, that these files are to be the last changes to the system until NCIC 2000 is fully operational and that any further cost over-runs are to be absorbed within the operating budget of the FBI, subject to the reprogramming procedures outlined in section 605 of this Act. In addition, the FBI is directed to continue to provide quarterly status reports on this project and the performance of the contractor.

Integrated Automated Fingerprint Identification System (IAFIS).--Similarly, it is noted that the IAFIS project is currently $119,500,000 over budget and more than one year behind schedule. The conference agreement adopts the recommendation included in the Senate report requiring that further cost over-runs for the IAFIS project are to be funded from FBI base resources, subject to the reprogramming requirements outlined in section 605 of this Act. The conference agreement includes bill language which allows $98,400,000 of resources provided to the FBI to remain available until expended. Of this amount, the conference agreement assumes that $84,400,000 will be used for expenses related to automation of fingerprint identification services. In addition, the FBI is directed to continue to provide quarterly status reports on this project to the Committees on Appropriations of both the House and Senate.

Use of Unexpended Fiscal Year 1996 Funds.--As highlighted in the Senate report, the FBI had unexpended balances of $40,700,000 from 1996 resources and funds provided in the 1995 Counterterrorism Supplemental Appropriation, largely as a result of hiring delays. The Senate report directed that these funds be used for counterterrorism activities and to cover cost over-runs for the NCIC 2000 and IAFIS projects. The conference agreement assumes that $17,100,000 of these funds will be used for certain counterterrorism activities related to ongoing investigations in Saudi Arabia and in connection with the TWA Flight 800 investigation and the Olympic park bombing, $12,300,000 of these funds are to be deposited into the Telecommunications Carrier Compliance Fund for digital telephony requirements, and $11,400,000 will be used to meet other operational requirements of the FBI in 1996.

The conference agreement also includes a provision, included in the Senate-reported bill, that freezes legislative and public affairs staffing in this account at fiscal year 1995 levels. It is noted that the level of staffing in this provision does not include employees assigned to the FBI Tour and Indoor Firearms Range Unit or the Executive, Congressional and Public Constituent Services Unit. The services provided by these units are considered to be legislative and public affairs activities under the provision contained in the conference agreement.

Telecommunications Carrier Compliance Fund

The conference agreement provides $60,000,000 to be deposited into the Telecommunications Carrier Compliance Fund, established under section 110 of this Act, for making payments to telecommunications carriers, equipment manufacturers, and providers of telecommunications support services to implement technology changes under the Communications Assistance for Law Enforcement Act (CALEA).

The funds provided in the conference agreement are designated by the 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, and are available as emergency spending only to the extent that the President also designates these funds as emergency requirements.

Both the House and Senate-reported bills included a provision under section 110, which provided for the establishment of a Telecommunications Carrier Compliance Fund, that would authorize agencies with law enforcement and intelligence responsibilities to transfer unobligated balances into this Fund, subject to applicable reprogramming requirements, for the purpose of providing reimbursement to telecommunications carriers, in lieu of direct appropriations for this purpose.

However, the conference agreement recognizes the need to provide ``start-up'' funds to address concerns that implementation of CALEA was being delayed for two reasons: (1) the lack of an agreed upon plan between the telecommunications industry, equipment manufacturers and the law enforcement community and (2) funding for the industry to start developing the ``solutions'' necessary to upgrade their systems. The conference agreement provides these funds but requires the Attorney General to develop and submit an implementation plan for approval by the Committees on Appropriations and the Judiciary of both the House and Senate before any of the funds in the Fund are expended. The Senate-reported bill did not include the requirement for an implementation plan because of concerns relating to provisions in the plan included in the House bill. The conference agreement includes revised language to address these concerns and maintains the requirement that an implementation plan be developed before any expenditure of funds. The modified plan requires that the Attorney General set forth: (1) the law enforcement assistance capability requirements and an explanation of law enforcement's recommended interface; (2) the proposed actual and maximum capacity requirements regarding the number of simultaneous law enforcement communications intercepts, pen registers, and trap and trace devices that authorized agencies may seek, including a detailed county by county listing of proposed actual and maximum capacity requirements; (3) a prioritized list of embedded base technologies to be modified by carriers; and (4) a projected reimbursement plan that estimates for each fiscal year based upon the prioritization, the costs of modifications by carriers. The conferees agree that in addition to the above implementation plan, the Attorney General shall develop, in consultation with the industry, and provide to the Committees on Appropriations and the Judiciary by June 30, 1997, an estimate of reasonable costs of modifications to carrier equipment, facilities, and services, based on law enforcement assistance capability and capacity requirements.

In addition, the conference agreement includes the requirement for an annual report to be submitted to Congress by the Attorney General, which details all deposits and expenditures from the Telecommunications Carrier Compliance Fund made pursuant to CALEA.

CONSTRUCTION

The conference agreement includes $41,639,000 in direct appropriations for Construction for the Federal Bureau of Investigation (FBI), instead of $55,676,000 in direct funding as proposed in the House bill and $28,144,000 from the Violent Crime Reduction Trust Fund as proposed in the Senate-reported bill.

The conference agreement provides for the following: (1) $1,287,000 for completion of FBI Academy Upgrades included in 1996 and (2) $40,352,000 as the second installment toward completion of the FBI Forensic Laboratory at Quantico. The conference agreement also adopts the recommendation included in the Senate report, to withhold funding necessary to complete the laboratory, based on initial cost estimates, and require the Department of Justice to review current design options and submit a construction plan with cost estimates and a time line for completion of this project to the Committees on Appropriations of both the House and Senate by November 1, 1996.

Drug Enforcement Administration

salaries and expenses

The conference agreement includes $970,388,000 for the salaries and expenses of the Drug Enforcement Administration (DEA), instead of $976,038,000 as proposed in the House bill and $924,000,000 as proposed in the Senate-reported bill, of which $220,000,000 is provided from the Violent Crime Reduction Trust Fund (VCRTF), instead of $243,000,000 as proposed in the House bill and $165,000,000 as proposed in the Senate-reported bill. Of the total amount provided, $5,000,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In addition to amounts appropriated, the conference agreement assumes that $52,824,000 will be available from the Diversion Control Fund for diversion control activities. This statement of managers reflects the agreement of the conferees on how the funds provided in the conference report are to be spent.

Source Country/International Strategy.--The conference agreement adopts the recommendation in the House report, to significantly expand DEA's current supply reduction effort by restoring successful international drug control programs to 1992 levels. Program increases for this initiative include the following: (1) $20,000,000 to support Vetted Units in Peru, Colombia, Bolivia and Mexico; (2) $5,000,000 for DEA enforcement personnel to support Operation Gateway; (3) $22,858,000 and 75 agents to increase on-site DEA agents in source countries, as outlined in the House report, to provide equipment and support to augment the intelligence effort, and to train and work with newly emerging vetted units; (4) $2,000,000 for DEA human intelligence, communications equipment and maintenance costs for the Peru riverine strategy; (5) $10,000,000 to restart the Andean initiative in Bolivia and Peru; and (6) $632,000 and 2 agents to establish a country office in Pretoria, South Africa. As stated in the House report, DEA is directed to submit a quarterly report, beginning with the first quarter of fiscal year 1997, that provides investigative workhours and funding, by type, within major drug source and transit countries, delineated by country and function.

Southwest Border Initiative.--To support counter-drug efforts on the Southwest border, where over 70 percent of all drugs enter the United States, the conference agreement provides the following program increases: (1) $9,000,000 for a cooperative effort with the FBI to penetrate command and control communications of Mexican drug trafficking organizations; (2) $8,131,000 and 50 agents for investigations from Title III wire intercepts; (3) $4,133,000 to support a classified intelligence research project; and (4) $2,394,000 and 4 agents and 15 diversion investigators to focus on methamphetamine activity on the Southwest border.

Domestic Enforcement and Infrastructure Enhancements.--The conference agreement includes additional resources to support domestic counter-drug activities, including critically-needed support to State and local law enforcement, who are on the front lines of the fight against drug and gang-related violence. Included are the following program increases: (1) $10,900,000 to add 130 more special agents to DEA domestic field offices to support Mobile Enforcement Teams (MET), including $4,000,000 for a new METs initiative focused on drug problems in rural areas and $1,000,000 for METs focused on methamphetamine-related problems; (2) $3,500,000 for marijuana eradication activities; (3) $1,500,000 for investigative equipment; (4) $8,000,000 for wireless radio communications equipment; (5) $1,000,000 for aircraft replacement; and (6) $5,000,000 for replacement vehicles.

The conference agreement also includes a provision, included in the Senate-reported bill, that freezes legislative and public affairs staffing in this account at fiscal year 1995 levels.

construction

The conference agreement includes $30,806,000 in direct appropriations for Construction for the Drug Enforcement Administration (DEA), instead of $36,306,000 from the Violent Crime Reduction Trust Fund as proposed in the Senate-reported bill and no funding as proposed by the House.

The conference agreement provides for the following: (1) $1,500,000 for the highest priority renovation and upgrade needs at DEA's current forensic laboratory facilities, and (2) $29,306,000 to complete the Justice Training Center to be located at the FBI Academy at Quantico, VA. As stated in the Senate report, the conference agreement adopts the recommendation that any increase in construction costs above the amounts provided for the Justice Training Center are to be absorbed within base DEA operations.

Immigration and Naturalization Service

salaries and expenses

(including transfer of funds)

The conference agreement includes $2,105,159,000 for the salaries and expenses of the Immigration and Naturalization Service (INS), instead of $2,167,782,000 as proposed in the House bill and $1,973,625,000 as proposed in the Senate-reported bill, of which $500,000,000 is provided from the Violent Crime Reduction Trust Fund (VCRTF), instead of $500,168,000 as proposed in the House bill and $539,476,000 as proposed in the Senate-reported bill. Of the total amount provided, $15,000,000 is designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. In addition to amounts appropriated, the conference agreement assumes that $975,774,000 will be available from offsetting fee collections, instead of $919,285,000 as proposed by the House and

$1,029,991,000 as proposed by the Senate-reported bill. Thus, including resources provided under construction, the conference agreement provides a total operating level of $3,090,774,000 for INS, instead of $3,096,908,000 as proposed by the House, $3,009,157,000 as proposed by the Senate-reported bill, and $3,081,908,000 as requested by the Administration. This statement of managers reflects the agreement of the conferees on how the funds provided in the conference report are to be spent.

Border control.--The conference agreement includes: (1) $121,426,000 for 1,000 new border patrol agents and 136 support personnel, instead of 700 new agents as requested by the Administration; (2) $27,093,000 for infrared scopes, low light television systems, sensors and the replacement of three helicopters, including upgraded forward-looking infrared systems; (3) $12,300,000 for 150 new land border inspectors for the Southern border; (4) $1,000,000 to pilot an automated arrival/departure system for pedestrian crossers; (5) $5,000,000 for anti-smuggling and field intelligence activities both domestic and overseas; (6) $5,000,000 for expansion of the interior repatriation program started in San Diego this fiscal year; and (7) $1,243,000 for management support of border enforcement activities. The conference agreement provides $7,000,000 more than requested for additional investments in force-multiplying technology to be deployed along the Southwest border. As stated in the Senate report, allocation of these additional resources is subject to the reprogramming procedures outlined in section 605 of this Act and within the overall amount recommended for border automation and technology, INS should examine the use of Smart Multisensor Acquisition and Remote Transmitting System (SMARTS) technology, a network of sensor packages and communication repeaters that can monitor large, sparsely populated regions of the U.S./Mexico border, thermal imaging sensor upgrades for Border Patrol helicopters, and a prototype interagency enforcement program at the Otay Mesa Port of Entry. In addition, the conference agreement assumes that the San Clemente checkpoint will be operated in accordance with the provision in the bill and the House report.

Detention and Removal of Deportable Aliens.--The conference agreement provides over $70,000,000 more than requested by the Administration because the current shortage of detention space has forced INS to release illegal criminal and non-criminal aliens, who would otherwise be deported. Program increases of $114,322,000 are provided in accordance with the House report and include over 2,700 detention beds, and $10,000,000 to address the deportation of terrorists requested in the Administration's September 12, 1996 budget amendment. As outlined in the House and Senate reports, the INS is directed to submit a quarterly report on removals beginning no later than January 1, 1997.

Infrastructure.--The conference agreement also includes $50,583,000 for infrastructure improvements, including: (1) $16,250,000 for replacement of obsolete radios, weapons and body armor; (2) $14,000,000 for replacement of vehicles and buses; (3) $15,253,000 for 104 additional field administrative and contract support personnel, 7 internal audit positions, and training for new automated systems; and (4) $5,380,000 for training to support long-range career development of journeymen employees.

The conference agreement adopts recommendations included in the House and Senate reports with regard to deployment of resources, INS management reforms, exit control strategy, and increased cooperation of illegal immigration enforcement on Federal lands. Furthermore, the INS is reminded that the opening and closing of offices not identified and provided for in this Act, is subject to the reprogramming requirements in section 605 of this Act.

The conference agreement also includes a provision that provides the level of staffing included for the offices of legislative and public affairs. Also included is technical language included in the Senate-reported bill, that allows prior year balances from the Community Relations Service, Cuban and Haitian Resettlement Program, to be transferred to INS.

Offsetting Fee Collections

The conference agreement assumes that $975,774,000 will be available from offsetting fee collections for INS, instead of $919,285,000 as proposed by the House and $1,029,991,000 as proposed by the Senate-reported bill, to support activities related to the legal admission of persons into the United States. These activities are supported entirely by fees paid by persons who are either traveling internationally or are applying for immigration benefits. The following increases are recommended:

Immigration Examinations Fees.--The conference agreement assumes $567,550,000 of spending from the Immigration Examinations Fee account, instead of $511,061,000 as proposed by the House bill and $586,800,000 as proposed by the Senate-reported bill. The level provided in the conference agreement assumes that $56,489,000 of carryover available in this account will be used to support $29,567,000 currently provided under the Violent Crime Reduction Trust Fund (VCRTF) for expenses in the citizenship and benefits budget activity related to asylum processing, and $26,922,000 currently provided under the VCRTF for automation programs and infrastructure for exams-related projects. It is noted that INS has over $225,000,000 in unobligated resources that will carryover into fiscal year 1997 in the Examinations Fee Account. The conference agreement adopts the recommendation similar to that included in the Senate report, to transfer base funding to the Immigration Examinations Fee account by transfering the above-mentioned adjudication-related activities from the VCRTF base funding to the Immigration Examinations Fee account, in order to free up additional resources for higher priority border control, deportation and detention initiatives.

In addition, the conference agreement assumes the following program increases for this account: (1) $3,597,000 to continue temporary staffing in Miami, New York, Chicago, Los Angeles and San Francisco to handle naturalization caseload; (2) $2,246,000 to continue temporary staffing in Miami, Newark, New York, Los Angeles and San Francisco to handle adjustment of status case processing; (3) $3,600,000 for FBI fingerprint checks; (4) $2,217,000 to fund court costs for naturalization ceremonies; (5) $6,591,000 to support the Service Center Direct Mail Records contract; and (6) $4,819,000 to continue the pilot records contract currently ongoing in the Miami, Los Angeles, and Chicago District offices.

Inspections User Fees.--The conference agreement assumes $388,664,000 of spending from the Inspections User Fee account as proposed in the House bill, instead of $423,631,000 as proposed in the Senate-reported bill. All requested airport inspections staffing increases were fully funded in both the House and Senate reports. Funding is provided in accordance with the House report.

Land Border Inspections Fees.--The conference agreement includes $11,054,000 in spending from the Land Border Inspection Fund, as proposed in both the House and Senate-reported bills, and assumes funding in accordance with the House and Senate reports.

construction

The conference agreement includes $9,841,000 for construction for INS as proposed in the House bill, instead of $5,541,000 as proposed in the Senate-reported bill. The conference agreement assumes funding is provided in accordance with the House report.

Federal Prison System

salaries and expenses

The conference agreement includes $2,793,540,000 for the salaries and expenses of the Federal Prison System as proposed in the Senate-reported bill, instead of $2,798,040,000 as proposed by the House bill. Of this amount, the conference agreement provides that $25,224,000 will be derived from the Violent Crime Reduction Trust Fund (VCRTF), as proposed by both the House and Senate-reported bills. The conference agreement also assumes that in addition to amounts appropriated, $90,000,000 will be available from unobligated balances from the prior year as proposed in the Senate-reported bill, instead of $50,000,000 as assumed in the House bill. The amount provided is the full amount required to activate all facilities that are scheduled to open in 1997 and is to be used for the purposes set forth in the House and Senate reports, including activations and expansions of prisons at the following locations: Beaumont, Texas; Edgefield, South Carolina; Seattle, Washington; and Elkton, Ohio. In addition, the conference agreement adopts the recommendation included in the House report regarding the Prime Vendor Assistance Program and the recommendation included in the Senate report on privatization of the Federal prison in Taft, California.

Buildings and Facilities

The conference agreement includes $395,700,000 for construction, modernization, maintenance and repair of prison and detention facilities housing Federal prisoners as proposed by the House, instead of $385,700,000 as proposed in the Senate-reported bill. The conference agreement assumes funding is provided in accordance with the House report and supports the Senate report language regarding the detention facility in Hawaii.

Federal Prison Industries Incorporated

(limitation on administrative expenses)

The conference agreement includes a limitation on administrative expenses of $3,042,000 for the Federal Prison Industries, as proposed in both the House and Senate-reported bills, and assumes funding is provided in accordance with the House and Senate reports.

Office of Justice Programs

justice assistance

The conference agreement includes $118,429,000 for Justice Assistance, instead of $105,000,000 as proposed in the House bill and $101,629,000 as proposed in the Senate-reported bill. Of the amount provided, $17,000,000 is designated by the 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, and amounts above the request are available as emergency spending only to the extent that the President also designates these funds as emergency requirements. The conference agreement provides the following:

National Institute of Justice	$31,429,000
Defense/Law Enforcement Technology Network	(9,229,000)
Counterterrorism Technologies	10,000,000
Grants to Firefighters/Emergency Service Personnel	5,000,000
State and Local Training--Counterterrorism	2,000,000
Bureau of Justice Statistics	21,379,000
Missing Children	5,971,000
Regional Information Sharing System	14,500,000
White Collar Crime Information Center	3,850,000
Management and Administration	24,300,000
Total	118,429,000

National Institute of Justice. (NIJ).--In addition to the above amount, $20,000,000 will be provided to NIJ in fiscal year 1997 from the Local Law Enforcement Block Grant for assisting units of local government to identify, select, develop, modernize, and purchase new technologies for use by law enforcement. The conference agreement adopts the recommendation in the House report, that provides that within the overall amount provided to NIJ, the Office of Justice programs is expected to provide $11,500,000 for the Southwest Border States Anti-Drug Information System, $3,500,000 for Facial Recognition Technology, $1,000,000 for a national study on the health care status of soon-to-be-released inmates, and an appropriate level of resources to be transferred to the FBI for continued operations of the Center of Advanced Support in Technology for Law Enforcement. In addition, as stated in the Senate report, the allowed use of the remaining funds in this program should be modified to include counterterrorism technologies, computerized identification systems, and forensic DNA analysis technologies as outlined in sections 811 and 821 of the Antiterrorism and Effective Death Penalty Act of 1996. OJP is also expected to submit quarterly reports on funding for activities within NIJ and to utilize NIJ employees for oversight of the Office of Law Enforcement Technology Commercialization, as stated in the House report.

Defense/law enforcement technology transfer.--The conference agreement provides $7,800,000 to assist the NIJ in its efforts to adopt technologies for law enforcement purposes. Within this amount, $5,000,000 is provided for continuation of the law enforcement technology center network and $2,800,000 is provided to continue the technology commercialization initiative at the National Technology Transfer Center. In addition, to ensure adequate oversight of the joint departmental initiative, $1,429,000 is provided for management by NIJ personnel.

Counterterrorism Technologies.--The conference agreement provides $10,000,000 for counterterrorism technology programs authorized under section 821 of the Antiterrorism and Effective Death Penalty Act of 1996. These funds are designated by the 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, and are available as emergency spending only to the extent that the President also designates these funds as emergency requirements. The House bill included funding for these programs within amounts provided to NIJ from the Local Law Enforcement Block Grant. The Senate bill included funding for these programs under State and Local Law Enforcement Assistance, Violent Crime Reduction Programs.

Grants to Firefighters and Emergency Services Personnel.--The conference agreement provides $5,000,000 for local firefighter and emergency service training grants as authorized under section 819 of the Antiterrorism and Effective Death Penalty Act of 1996. These funds are designated by the 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, and are available as emergency spending only to the extent that the President also designates these funds as emergency requirements. The House bill included funding for these programs within amounts provided in this account. The Senate bill included funding for these programs under State and Local Law Enforcement Assistance, Violent Crime Reduction Programs.

State and local Antiterrorism Training.--The conference agreement provides $2,000,000 as requested in the Administration's recent budget amendment, for State and local law enforcement training to address antiterrorism preparedness. These funds are designated by the Congress and the President as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Missing children.--The conference agreement provides $5,971,000 for the Missing Children Program as proposed by both the House and Senate-reported bills.

National White Collar Crime Center.--The conference agreement includes $3,850,000 for the National White Collar Crime Center as proposed by both the House and Senate-reported bills.

Management and administration.--The conference agreement provides $24,300,000 and 300 FTE for Management and Administration expenses of the Office of Justice Programs as proposed in both the House and Senate-reported bills. In addition, reimbursable funding from VCRTF programs and Community Oriented Policing Services and a transfer from the Juvenile Justice account, will be provided for the administration of grants under these activities. Total funding for the administration of grants assumed in the conference agreement is as follows:

	Amount	FTE
Direct Appropriation	$24,300,000	300
Transfer from Juvenile Justice programs	4,800,000	71
Reimbursement from VCRTF	32,325,000	286
Reimbursement from COPs	2,500,000	23
Total	64,025,000	680

state and local law enforcement assistance

The conference agreement includes $2,397,150,000 for State and Local Law Enforcement Assistance instead of $2,434,900,000 as proposed in the House bill and $2,304,100,000 as proposed in the Senate-reported bill. Of this amount, the conference agreement provides that $2,036,150,000 shall be derived from the Violent Crime Reduction Trust Fund (VCRTF), instead of $2,119,900,000 as proposed in the House bill and $1,944,100,000 as proposed in the Senate-reported bill.

The conference agreement provides for the following programs from direct appropriations and the VCRTF:

Direct Appropriation:	
Byrne Discretionary Grants	$60,000,000
Byrne Formula Grants	301,000,000
Total Direct Appropriations	361,000,000
Violent Crime Reduction Trust Fund:	
Byrne Formula Grants	199,000,000
Local Law Enforcement Block Grant	523,000,000
Boys and Girls Clubs	(20,000,000)
Drug Courts	30,000,000
Upgrade Criminal History Records (Brady Bill)	50,000,000
State Prison Grants	670,000,000
Cooperative Agreement Program	(12,500,000)
Alien Incarceration	(170,000,000)
State Criminal Alien Incarceration Program	330,000,000
Violence Against Women Act Grants	196,500,000
State Prison Drug Treatment	30,000,000
DNA Identification Grants	3,000,000
Law Enforcement Family Support Programs	1,000,000
Senior Citizens Against Marketing Scams	2,000,000
Motor Vehicle Theft Prevention	750,000
Missing Alzheimer's Patient Program	900,000
Total, Violent Crime Reduction Trust Fund	2,036,150,000

Edward Byrne grants to States.--The conference agreement provides $560,000,000 for the Edward Byrne Memorial State and Local Law Enforcement Assistance Program, of which $60,000,000 is for discretionary grants and $500,000,000 is provided for formula grants under this program. The amount provided in the conference agreement includes an additional $25,000,000 as proposed by the House, to allow States to implement drug testing initiatives.

Byrne discretionary grants.--The conference agreement provides $60,000,000 for discretionary grants under Chapter A of the Edward Byrne Memorial State and Local Assistance Program, as proposed in both the House and Senate-reported bills. Within the amount provided, the conferees expect the Bureau of Justice Assistance (BJA) to provide:

$28,500,000 for the Weed and Seed program;

$4,000,000 for the National Crime Prevention Council to continue and expand the National Citizens Crime Prevention Campaign (McGruff);

$1,750,000 to continue and expand the Drug Abuse Resistance Education (DARE AMERICA) program;

$2,000,000 for continued funding for the Washington Metropolitan Area Drug Enforcement Task Force;

$775,000 for Project Return, a correctional options program;

$1,000,000 for continued funding for the National Judicial College;

$1,000,000 to SEARCH Group, Inc. to continue and expand the National Technical Assistance Program, which provides support to State and local criminal justice agencies to improve their use of computers and information technology; and

$1,000,000 for the National Motor Vehicle Title Information System, authorized by the Anti-Car Theft Improvement Act, to begin pilot implementation and complete network infrastructure.

Within the available resources the conferees also urged BJA to favorably consider funding for the trauma reduction initiative, the victim information and notification everyday (VINE) system, the National Night Out Program, establishment of a Violence Institute and the community security program of the Local Initiative Support Corporation, as stated in the House and Senate reports.

In addition, the conferees recommend that the Department of Justice consider submission of a reprogramming to continue support for State and local task forces to address church burnings.

violent crime reduction trust fund programs

Local Law enforcement block grant.--The conference agreement includes $523,000,000 for the Local Law Enforcement Block Grant program, instead of $571,000,000 as proposed by the House and $503,000,000 as proposed by the Senate-reported bill, in order to continue the commitment to provide local governments with the resources and flexibility to address specific crime problems in their communities with their own solutions. Within the amount provided, the conference agreement includes language providing $20,000,000 to the Boys and Girls Clubs of America. Funding provided for drug courts is included under a separate account, instead of under this account as proposed by the House.

Drug Courts.--The conference agreement includes $30,000,000 for drug courts under a separate account, instead of requiring a reprogramming of $18,000,000 from the Local Law Enforcement Block Grant as proposed in the House bill, or a reprogramming of $20,000,000 from the Community Oriented Policing Services Program, as proposed in the Senate-reported bill.

Violence Against Women Act programs.--The conference agreement includes $197,500,000 for grants to support the Violence Against Women Act of which $196,500,000 is provided under this account and $1,000,000 is provided under the U.S. Attorneys, as proposed in both the House and Senate-reported bills. Grants provided under this account are for the following programs:

General Grants..	$145,000,000

Victims of Child Abuse Programs:	
Court-Appointed Special Advocates	6,000,000
Training for Judicial Personnel	1,000,000
Grants for Televised Testimony	550,000
Grants to Encourage Arrest Policies	33,000,000
Rural Domestic Violence	8,000,000
National Stalker and Domestic Violence	1,750,000
Training Programs	1,000,000
Study on Campus Sexual Assault	200,000
Total	196,500,000

National Instant Criminal Background Check System.--The conference agreement provides $50,000,000, as proposed in both the House and Senate-reported bills, for States to upgrade criminal history records as required under the Brady Bill. In addition, $20,240,000 is included in the conference agreement under the FBI to complete development of the National Instant Criminal Background Check System, as proposed by both the House and Senate-reported bills.

State prison grants.--The conference agreement provides $670,000,000 for State Prison Grants, instead of $680,000,000 as proposed in the House bill and $630,000,000 as proposed in the Senate-reported bill. Of the amount provided, $170,000,000 is available to States for the incarceration of criminal aliens and $12,500,000 is for the Cooperative Agreement Program, as proposed in both the House and Senate-reported bills. The conference agreement also includes language proposed in the House bill that allows California to use funds provided under the State Prison Grant program to support the cost of incarcerating criminal aliens. In addition, the conference agreement includes new language, not proposed in the House or Senate-reported bills, that requires that beginning in fiscal year 1999, a State cannot receive a grant under this program unless it has implemented a program of drug testing for certain convicted offenders.

State Criminal Alien Assistance Program.--The conference agreement provides $330,000,000 for the State Criminal Alien Assistance Program for reimbursement to States for the costs of incarceration of criminal aliens, as proposed by both the House and Senate. In addition to this amount the conference agreement also provides $170,000,000 for this purpose under the State Prison Grants program. Thus, the conference agreement includes a total of $500,000,000 for reimbursement to States for alien incarceration, as proposed in both the House and Senate-reported bills.

Substance Abuse Treatment for State Prisoners.--The conference agreement includes $30,000,000 for substance abuse treatment programs within State and local correctional facilities, instead of $35,000,000 as proposed by the House and $29,700,000 as proposed in the Senate-reported bill.

State Courts Assistance Program.--The conference agreement does not include $5,000,000 in funding under the

State Courts Assistance program, as proposed in the House bill, but instead provides funding for State court programs under the State Justice Institute as proposed in the Senate-reported bill.

DNA Identification State grants.--The conference agreement includes $3,000,000 for DNA Identification State Grants, as proposed by both the House and Senate-reported bills. Within the amount made available under this program and in conjunction with State grants for this purpose under the FBI, the conferees expect the Office of Justice Programs and the FBI to examine proposals to establish a South Carolina State DNA identification record database and a Center for Forensic Science Standards, including an arson and explosion reference laboratory in Central Florida, and provide grants, if warranted.

Law Enforcement Family Support Programs.--The conference agreement includes $1,000,000 for law enforcement family support programs, as proposed by the House, instead of no funding as proposed in the Senate-reported bill.

Senior Citizens Against Marketing Scams.--The conference agreement includes $2,000,000 for programs to assist law enforcement in preventing and stopping marketing scams against senior citizens, as proposed in the House bill, instead of no funding as proposed in the Senate-reported bill.

Motor vehicle theft prevention.--The conference agreement includes $750,000 for grants to combat motor vehicle theft, instead of $500,000 as proposed in the House bill and $1,000,000 as proposed in the Senate-reported bill.

Safe Return Program.--The conference agreement includes $900,000 for the Missing Alzheimer's Patient Program, as proposed in both the House and Senate-reported bills.

The conference agreement adopts the recommendation included in the Senate report which directs the Attorney General, to the extent possible to ensure that State, local, and Indian tribal criminal justice agency technology grant proposals include technology that is compatible with or can interface with other national law enforcement and criminal justice information systems being developed, in particular, NCIC 2000, the National Instant Background Check System, the national incident-based reporting system, and DRUGFIRE.

weed and seed program fund

The conference agreement includes $28,500,000 for the Weed and Seed program from discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, as proposed by both the House and Senate-reported bills.

Community Oriented Policing Services

violent crime reduction programs

The conference agreement includes $1,400,000,000 for the

Community Oriented Policing Services (COPs) program, as proposed by both the House and Senate-reported bills. In addition to this amount, the conference agreement provides $20,000,000 for the Police Corps program as proposed by the Senate-reported bill, instead of $10,000,000 as proposed by the House bill.

The conference agreement does not include provisions included in the House bill, which would have directed $71,000,000 of the funds provided to be used to support local police officers participating on DEA task forces and $30,500,000 of the funds to be used to enhance grants available to States to develop innovative and community policing initiatives designed to address youth violence and juvenile crime.

The conference agreement also does not include provisions included in the Senate-reported bill, which would have allowed $20,000,000 of the funds provided to be used for drug courts and $42,500,000 of the funds to be used for drug testing initiatives, subject to reprogramming procedures in section 605 of the Act.

The conference agreement has not included these non-hiring initiatives in order to address the Administration's concern that sufficient funding be provided to maintain the commitment to hiring 100,000 new police officers. Thus, funding provided in this Act is to be used only for police hiring grants, which include grants under the Universal Hiring Program and the COPs MORE program. Funds available from prior year carryover may be used for innovative community policing programs, subject to the reprogramming requirements in section 605 of this Act. The conference agreement has provided sufficient funding under other programs to support initiatives such as training, overtime, innovative prevention programs and technology enhancements, which should not be duplicated under this program.

The conference agreement also includes a provision that provides that not to exceed 186 positions, 174 workyears, and $19,800,000 shall be expended for management and administration of the COPs program, as proposed by the Senate-reported bill, instead of 130 positions, 130 workyears, and $14,602,000, as proposed in the House bill.

juvenile justice programs

The conference agreement includes $174,500,000 for Juvenile Justice programs, instead of $149,500,000 as proposed by the House and $158,500,000 as proposed by the Senate-reported bill.

Juvenile justice and delinquency prevention.--Of the total amount provided, $170,000,000 is for grants and administrative expenses for Juvenile Justice and Delinquency Prevention (JJDP) programs including:

1. $5,000,000 for the Office of Juvenile Justice and Delinquency Prevention (OJJDP) (Part A).

2. $86,500,000 for Formula Grants for assistance to State

and local programs (Part B). A provision is included that makes $16,500,000 of the amount available for formula grants available to States that have adopted policies (or will have in effect not later than one year after date of application) and programs that ensure that juveniles are subject to accountability-based sanctions for every act for which they are adjudicated delinquent.

3. $29,500,000 for Discretionary Grants for National Programs and Special Emphasis Programs (Part C). Within the amount provided for Part C discretionary grants, the conference agreement adopts recommendations included in the House and Senate reports that direct OJJDP to provide the following:

$2,300,000 to continue and expand the National Council of Juvenile and Family Courts which provides continuing legal education in family and juvenile law;

$1,000,000 for the Teens, Crime and the Community program;

$2,300,000 for the Angel Gate Academy;

$1,900,000 for the National Institute for School/ Community Violence;

$1,500,000 for the Jimmy Ryce Law Enforcement Training Center at the Center for Missing and Exploited Children; and

$800,000 for the Suffolk County Police Athletic League, a program that serves over 26,000 high-risk, low-income youths.

In addition, the conference agreement also adopts recommendations included in the House and Senate reports that direct OJJDP to examine each of the following proposals, to provide grants if warranted, and to report to the Committees on Appropriations of both the House and Senate on its intentions for each proposal: a grant to the Institute on Violence and Destructive Behavior; a grant to the Parents Resource Institute for Drug Education (PRIDE); a grant to the coalition for juvenile justice; restorative justice challenge grants; a grant to the Teen Night Out Program; a grant to a Kansas Juvenile Intake and Assessment Center; a grant to Parents Anonymous, Inc.; a grant to Project O.A.S.I.S.; a grant to Kids Peace National Center for Kids; a grant to the Savannah Youth Futures Authority; a grant to the Consortium on Children, Families, and Law; and continued support for law-related education.

4. $12,000,000 to expand the Youth Gangs (Part D) program which provides grants to public and private nonprofit organizations to prevent and reduce the participation of at-risk youth in the activities of gangs that commit crimes.

5. $10,000,000 for Discretionary Grants for State Challenge Activities (Part E) to increase the amount of a State's formula grant by up to 10 percent, if that State agrees to undertake some or all of the ten challenge activities designed to improve various aspects of a State's juvenile justice and delinquency prevention program.

6. $7,000,000 for Juvenile Mentoring Program (Part G) to reduce juvenile delinquency, improve academic performance, and reduce the drop-out rate among at-risk youth through the use of

mentors by bringing together young people in high crime areas with law enforcement officers and other responsible adults who are willing to serve as long-term mentors.

7. $20,000,000 for Incentive Grants for Local Delinquency Prevention Programs (Title V), to units of general local government for delinquency prevention programs and other activities for at-risk youth.

In addition, the conferees urge OJJDP to pay particular attention to intervention and crime prevention programs which focus on addressing unique circumstances at Indian reservations.

Victims of Child Abuse Act.--The conference agreement includes $4,500,000 for the various programs authorized under the Victims of Child Abuse Act (VOCA), as proposed in both the House and Senate-reported bills. In addition, funding of $7,000,000 is provided for Victims of Child Abuse programs under the Violence Against Women Programs funded by the Violent Crime Reduction Trust Fund. The following programs are included in the recommendation:

$4,500,000 to Improve Investigations and Prosecutions (Subtitle A) as follows:

$500,000 to establish Regional Children's Advocacy Centers, as authorized by section 213 of VOCA;

$2,000,000 to establish local Children's Advocacy Centers, as authorized by section 214 of VOCA;

$1,500,000 for a continuation grant to the National Center for Prosecution of Child Abuse for specialized technical assistance and training programs to improve the prosecution of child abuse cases, as authorized by section 214a of VOCA; and

$500,000 for a continuation grant to the National Network of Child Advocacy Centers for technical assistance and training, as authorized by section 214a of VOCA.

public safety officers benefits

The conference agreement includes $2,200,000 for the Public Safety Officers benefits as proposed by both the House and the Senate-reported bills.

General Provisions--Department of Justice

The conference agreement includes the following general provisions for the Department of Justice:

Sec. 101.--The conference agreement includes section 101 as proposed by both the House and Senate-reported bills, which makes up to $45,000 of the funds appropriated to the Department of Justice available for reception and representation expenses.

Sec. 102.--The conference agreement includes section 102 as proposed by both the House and Senate-reported bills, which continues certain authorities for the Justice Department in fiscal year 1997 that were contained in the Department of Justice Authorization Act, fiscal year 1980.

Sec. 103.--The conference agreement includes section 103 as proposed by both the House and Senate-reported bills, which prohibits the use of funds to perform abortions in the Federal Prison System.

Sec. 104.--The conference agreement includes section 104 as proposed by both the House and Senate-reported bills, which prohibits use of the funds to require any person to perform, or facilitate the performance of, an abortion.

Sec. 105.--The conference agreement includes section 105 as proposed by both the House and Senate-reported bills, which states that nothing in the previous section removes the obligation of the Director of the Bureau of Prisons to provide escort services to female inmates who seek to obtain abortions outside a Federal facility.

Sec. 106.--The conference agreement includes section 106 as proposed by both the House and Senate-reported bills, which allows the Department of Justice to spend up to $10,000,000 for rewards for information regarding acts of terrorism against a United States person or property at levels not to exceed $2,000,000 per reward.

Sec. 107.--The conference agreement includes section 107 as proposed by both the House and Senate-reported bills, which allows the Department of Justice, subject to reprogramming procedures, to transfer up to 5 percent between any appropriation, but limits to 10 percent the amount that can be transferred into any one appropriation.

Sec. 108.--The conference agreement includes section 108 as proposed in the House and Senate-reported bills, that allows balances remaining in the Assets Forfeiture Fund after September 30, 1996 to be available to the Attorney General for any authorized purpose of the Department of Justice.

Sec. 109.--The conference agreement includes section 109 as proposed in the Senate bill, and similar to language included in the House bill, which restructures quarterly fee payments for debtors under chapter 11 of the Bankruptcy Code, and which allows all fees to be used as offsetting collections to the U.S. Trustees Program and which amends a provision included in the 1996 Appropriations Act, to clarify that fees collected under post-confirmation status are to be assessed in all pending chapter 11 cases.

Sec. 110.--The conference agreement includes section 110 which establishes the telecommunications carrier compliance fund for payments to telecommunications carriers and equipment manufacturers to implement technology changes required under the Communications Assistance for Law Enforcement Act (CALEA), as proposed by both the House and Senate. However, revisions have been made to this language to address concerns over the requirements set forth in the implementation plan and are explained under the heading Federal Bureau of Investigation, Telecommunications Carrier Compliance Fund.

Sec. 111.--The conference agreement includes section 111 as proposed by the House which states the sense of the Congress with regard to the illegal importation of the drug Rohypnol.

Sec. 112.--The conference agreement includes section 111 as proposed by the Senate and changes the number to section 112, which allows funds available to States from the Victims of Crime Fund to be available for expenditure over a two-year period instead of one year, as provided in current law, and allows $500,000 of funds available in the reserve fund held by the Department of Justice, to be available to assist the victims of the Oklahoma City bombing throughout the trial.

Sec. 113.--The conference agreement includes new language, to replace language included in the Senate-reported bill under section 112, which amends Section 732 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132). First, the provision expands the evaluation under subsection (a) to include an evaluation and concurrent report by the Secretary of the Treasury, in consultation with the Attorney General, on the possible use and exploitation of special technologies, such as ``vapor detection devices, computer tomography, nuclear quadrupole resonance, thermal neutron analysis, pulsed fast neutron-analysis, and other technologies". Because special technologies have developed and advanced, this study directs the Secretary of the Treasury to investigate and recommend to Congress a course of action on the further study and possible use of these special technologies to detect explosive devices before they can do any harm. Second, the provision requires the Secretary of the Treasury to enter into a contract with the National Academy of Sciences to conduct a study of the feasibility of adding taggants to black and smokeless powder. The study will be supervised by an independent panel of five experts appointed by the Academy and will consider six elements, each of which is important to determining whether the possible use of taggants is both desirable and feasible. Additionally, the study requires that the Academy consult with Federal, State, and local officials, non-governmental organizations, including national police organizations, national sporting organizations and national industry associations with expertise in this area, as well as other individuals as the Academy deems necessary. The conferees expect to have as broad and comprehensive a consultation process as is practical. The Academy is required to present this study to Congress, twelve months after the enactment of these subsections, and both the study and any data used to formulate the study are to be made publicly available. The Congress may then take action on the matter in accord with its usual procedure.

Sec. 114.--The conference agreement includes new language, not included in the House or Senate-reported bills, that allows the portion of an award payment associated with a forfeiture to be paid for out of the permanent indefinite appropriation of the Asset Forfeiture Fund and conforms these expenses to the method of payment for other costs of forfeiture.

Sec. 115.--The conference agreement includes new language, not included in the House or Senate-reported bills, which authorizes the Attorney General to reimburse employees paid for under any appropriation account of the Department of

Justice for additional Federal, State and local income taxes incurred as the result of extended temporary duty status when traveling on behalf of the United States to investigate, prosecute, or litigate a criminal or civil matter, or for other similar special circumstances.

Sec. 116.--The conference agreement includes new language, not included in the House or Senate-reported bills, which provides the Attorney General with authorization to accept gifts of personal property for the purpose of aiding or facilitating the work of the Department of Justice and its agencies.

Sec. 117.--The conference agreement includes new language, not included in the House or Senate-reported bills, which authorizes the Attorney General for fiscal year 1997, to transfer certain forfeited properties to State and local governments, or their designated contractor or transferee, for public health, safety and welfare purposes. The conferees expect the Attorney General to notify the Committees on Appropriations of the House and Senate prior to the transfer of properties under this provision.

Sec. 118.--The conference agreement includes new language, not included in the House or Senate-reported bills, which allows the Independent Counsel to extend by successive six-month periods, the travel status of an employee and the appropriate reimbursement of travel expenses.

Sec. 119.--The conference agreement includes new language, not included in the House or Senate-reported bills, which restores the public safety exemption under the Age Discrimination in Employment Act, thereby allowing police and fire departments to use maximum hiring ages and mandatory retirement ages as elements of their overall personnel policies.

Sec. 120.--The conference agreement includes new language, not included in the House or Senate-reported bills, which clarifies the original intent of a provision included in the Violent Crime Control and Law Enforcement Act of 1994 concerning Federal rules of evidence in Federal sex offense trials. The amendment ensures that evidence of a defendant's prior sexual assaults is admissible in all Federal sex offense trials conducted after the effective date (including cases which were indicted before the effective date) established in the 1994 Act.

Sec. 121.--The conference agreement includes new language, not included in the House or Senate-reported bills, to address the growing problem of child pornograhic materials produced using new computer imaging and ``morphing'' technologies. Current law covers only materials produced using actual children engaging in sexually explicit conduct. This section amends U.S. Code Title 18, Section 2256, to establish a specific statutory definition of child pornography. Under this section, any visual depiction, such as a photograph, film, videotape or computer image, which is produced by any means, including electronically by computer, of sexually explicit conduct will be classified as child pornography if: (a) its production involved the use of a minor engaging in sexually explicit conduct; (b) it depicts, or appears to depict, a minor engaging in sexually explicit conduct; (c) it has been created, adapted or modified to appear that an identifiable minor is engaging in sexually explicit conduct; or (d) it is promoted or advertised as depicting a minor engaging in sexually explicit conduct. It would increase the penalties for child sexual exploitation, child sexual abuse and child pornography offenses, particularly for repeat offenders.

This section would also protect federal, state and local governments, and state and local law enforcement officials, from the threat of civil lawsuits and the awarding of damages as the result of searches and seizures made in connection with child pornography investigations or prosecutions. It does so by extending current Privacy Protection Act (U.S. Code Title 42, Section 2000aa) exceptions allowing certain searches and seizures where the offense consists of the receipt, possession or communication of information pertaining to the national defense, classified information or restricted data to offenses involving the production, possession, sale or distribution of child pornography, the sexual exploitation of children, or the sale or purchase of children.

TITLE II--DEPARTMENT OF COMMERCE AND RELATED AGENCIES

Trade and Infrastructure Development

RELATED AGENCIES

Office of the United States Trade Representative

salaries and expenses

The conference agreement includes $21,449,000 for the salaries and expenses of the Office of the United States Trade Representative, the same amount as proposed in both the House and Senate-reported bills.

International Trade Commission

salaries and expenses

The conference agreement includes $40,850,000 for the salaries and expenses of the International Trade Commission (ITC) for fiscal year 1997, instead of $40,000,000 as proposed in the House bill and $41,707,000 as proposed in the Senate-reported bill.

Within the amounts provided, the conference agreement assumes that not less than 3 permanent full time equivalents (FTE) and 1 temporary FTE will be allocated to the Office of the Inspector General, and contract funds will be provided to the IG at not less than the fiscal year 1996 level.

DEPARTMENT OF COMMERCE

International Trade Administration

operations and administration

The conference agreement includes $270,000,000 for the operations and administration of the International Trade Administration for fiscal year 1997, instead of $272,000,000 as proposed by the House bill, and $267,939,000 recommended in the Senate-reported bill. The following table reflects the distribution of these funds by activity included in the conference agreement:

Trade Development	$59,400,000
Int'l Economic Policy	17,100,000
(Trade Compliance Center)	(2,500,000)
Import Administration	29,500,000
U.S. & F.C.S	168,200,000
Carryover	4,200,000
Total, ITA	270,000,000

The conferees remind ITA that any changes to this distribution are subject to the reprogramming procedures set forth in section 605 of this Act.

The conferees approved the recent reorganization of the International Economic Policy (IEP) unit which established a Trade Compliance Center (TCC) to compile and utilize a comprehensive database of trade and other relevant agreements. The conference agreement includes $17,100,000 for IEP, of which $2,500,000 and 25 full time equivalents (FTE) are provided for the TCC.

Within the amounts provided under this account, $168,200,000 is for the U.S. and Foreign Commercial Service (U.S.&FCS). The conference agreement assumes this level is sufficient to support the full request for U.S.&FCS domestic and international operations, and assumes that any reductions will be taken from headquarters functions.

The conference agreement provides $59,400,000 for Trade Development, including funding at levels provided in the House report for the current participants in the National Textile Center (NTC) Consortium and the Textile/Clothing Technology Corporation. In addition, within the increase provided for Trade Development, the conferees expect ITA to provide support for items included in the Senate report related to the expansion of the NTC and to international environmental regulations, as well as initiatives previously supported by ITA to help small businesses improve their international competitiveness, and to increase small business global competitiveness in biotechnology. Further, the Market Development Cooperator Program is funded at $1,500,000, the same level provided in the fiscal year 1996. In addition, any reductions in Trade Development are to be taken proportionately across all programs and functions.

Further, the conference agreement adopts language included in the House report concerning the Technology Village Partnership, unfair trade practices with respect to Canadian lumber, and privatization of certain trade shows. The conferees expect ITA to follow the language included in the Senate report regarding reorganization of the domestic field office structure.

In addition, the conference agreement provides $9,400,000 in fiscal year 1997 emergency funding in title IV of the bill as part of the counterterrorism initiative for the U.S.&FCS to address its overseas security requirements. It is the conferees' intent that the U.S.&FCS determine requirements and that program management and administration be carried out by the Department of State.

Export Administration

operations and administration

The conference agreement includes $39,900,000 for the Bureau of Export Administration (BXA), instead of $38,604,000 as proposed in the House bill, and $34,698,000 as proposed in the Senate-reported bill. When combined with carryover balances of approximately $1,800,000, a total of $41,700,000 will be available to the BXA in fiscal year 1997. The conference agreement provides increases above the fiscal year 1996 appropriated level for counterterrorism initiatives and implementation of the Fastener Quality Act.

Counterterrorism Initiative.--Of the amounts provided under this account for BXA, the conference agreement includes $3,900,000 and 22 FTE for the Office of Export Enforcement to expand BXA's nonproliferation enforcement efforts. Such amounts are designated as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, as requested in the budget amendment submitted September 12, 1996. Neither the House nor Senate-reported bills included emergency funding for this purpose. Instead, the Senate-reported bill proposed the transfer of $2,500,000 from the Department of Justice to BXA for counterterrorism activities. The conference agreement does not include this transfer.

Economic Development Administration

economic development assistance programs

The conference agreement includes $328,500,000 for the Economic Development Administration grant programs as proposed in the House bill, instead of $273,500,000 as proposed in the Senate-reported bill.

The following table shows the distribution of these funds by activity as agreed to by the conferees:

Public Works (Title I)................................	$165,200,000

Planning	24,000,000
Technical Assistance	17,600,000
Defense Conversion	90,000,000
Economic Adjustment (Title IX)	31,200,000
Research and Evaluation	500,000

The conference agreement provides funding for the Title I Public Works and Defense Conversion programs at the fiscal year 1996 level. In addition, $17,600,000 is included for EDA's technical assistance programs, including the University Centers and Trade Adjustment Assistance Centers programs.

The conference agreement increases amounts for Economic Adjustment (Title IX) above the request in order to allow EDA to complete is activities pursuant to section 11(b) of Public Law 99-663 as in the Senate report. In addition, the Committees expect EDA to continue its effort to assist communities impacted by economic dislocations related to coal industry downswings. Further, the conference agreement endorses the recommendations in the House report regarding targeting of resources to the most severely distressed communities.

salaries and expenses

The conference agreement includes $20,036,000 for salaries and expenses for the EDA as proposed in the Senate-reported bill, instead of $20,000,000 as proposed in the House bill. The conference agreement assumes EDA will use either the Salaries and Expenses appropriation or the revolving fund (under 42 U.S.C. 3143) to pay the salaries and expenses of the EDA Liquidation Division. The conference agreement adopts the recommendations included in both the House and Senate reports.

Minority Business Development Agency

minority business development

The conference agreement includes $28,000,000 for the programs of the Minority Business Development Agency (MBDA), instead of $29,000,000 proposed in the House bill and $26,000,000 as proposed in the Senate-reported bill. The conferees direct that to the maximum extent possible these reductions should come from downsizing MBDA headquarters and regional staff in order to maintain program delivery to minority entrepreneurs.

The conference recommendation reflects concerns expressed in both the House and Senate reports regarding continued duplication and lack of coordination between the MBDA and the Small Business Administration (SBA). The conference agreement adopts the House concept setting aside $2,000,000 of MBDA's funding to be used only for projects jointly developed, implemented, and administered in conjunction with the SBA. Further, an additional $1,000,000 is provided under the Small Business Administration in title V of the bill as part of this initiative. The conferees direct the interagency working group to submit a plan for the use of these funds no later than November 15, 1996, and to submit a reprogramming notification in accordance with section 605 of this Act.

The conference agreement assumes that MBDA will continue its support for the Entrepreneurial Technology Apprenticeship Program. The conferees believe this program provides unique experiences and opportunities in the field of technology to minority students, and expects the agency to continue its commitment to this important initiative and report back to the Appropriations Committees on its intentions regarding this matter by December 1, 1996.

economic and information infrastructure

economic and statistical analysis

salaries and expenses

The conferees have provided $45,900,000 for salaries and expenses of the activities funded under the Economic and Statistical Analysis account as proposed in the House bill, instead of $49,400,000 as proposed in the Senate-reported bill. The conference agreement adopts the directive included in the House report regarding the Integrated Environmental-Economic Accounting or ``Green GDP'' initiative. In addition, the conference agreement assumes that BEA, within the resources provided, will place a high priority on its initiative to improve gross domestic product (GDP) data. The Committees would be willing to entertain a transfer of funds from within the Department to augment this activity if additional funds are required.

economics and statistics administration revolving fund

The conference agreement includes language allowing the dissemination of economic and statistical data products at full cost as proposed in both the House and Senate bills.

Bureau of the Census

salaries and expenses

The conference agreement includes $135,000,000 for the Bureau of the Census Salaries and Expenses account, instead of $133,617,000 as proposed in the House bill and $139,700,000 as proposed in the Senate bill. The conference agreement provides an increase above the fiscal year 1996 level for the Bureau's initiative to restructure the national standard industrial codes system. Further, the conference agreement adopts the recommendations included in both the House and Senate reports regarding reprioritization of programs funded under this account as well as reimbursements from other Federal agencies and private organizations.

periodic censuses and programs

The conference agreement provides $210,500,000 for the Census Bureau's Periodic Censuses and Programs account as proposed in the Senate-reported bill, instead of $205,100,000 as proposed in the House bill.

The conferees have included the following amounts for Census programs:

Economic Censuses	$25,000,000
Census of governments	2,000,000
Intercensal Demographic estimates	5,200,000
Decennial Census	84,110,000
Continuous measurement	16,600,000
Sample redesign	3,800,000
CASIC	6,000,000
Geographic support	43,000,000
Data processing systems	24,790,000
Total	210,500,000

The conference agreement assumes that this distribution will be used as the basis for any proposed reprogramming of funds in accordance with section 605 of this Act.

The conference agreement adopts recommendations included in the House report regarding prioritization of national statistical programs.

Census 2000.--The conference agreement provides an increase of $60,400,000 in the overall account for decennial-related activities, including a $35,285,000 increase for the Year 2000 Decennial Census direct activities. The conferees reiterate the concern expressed in the House report regarding the inability of the Bureau to produce an adequate plan that accurately predicts and budgets for the costs of the Year 2000 Census. In addition, the conferees reiterate concerns in the House report regarding the Bureau's lack of adequate plans to develop options and alternatives adequately addressing issues of accuracy and cost. Therefore, within the amounts provided, the conference agreement intends that the funds provided be devoted to those activities most critical to preparation for the 2000 Census in fiscal year 1997, namely geographic and address list preparation, and data capture and processing systems activities. Further, the conference agreement adopts the directive included in the House report requiring the Bureau to develop and submit a plan for the expenditure of the increases provided in accordance with section 605 of this Act, prior to the expenditure of such funds.

Finally, the conferees are disappointed that the Bureau has failed to act on the stipulation included in both the fiscal years 1995 and 1996 reports directing the Bureau to work to obtain reimbursement from other Federal agencies for the costs associated with obtaining information on the decennial census. Therefore, the conference agreement adopts recommendation included in the House report regarding this matter.

National Telecommunications and Information Administration

salaries and expenses

The conference agreement includes $15,000,000 for the National Telecommunications and Information Administration salaries and expenses as proposed in the House bill, instead of $16,003,000 as proposed in the Senate-reported bill.

In addition, the conference agreement includes new language at the request of the Administration clarifying the authority of NTIA to obtain reimbursement from other government agencies for activities related to spectrum management, analysis and operations. The conference agreement assumes that NTIA will receive an additional $5,000,000 from such reimbursements, resulting in a total availability to NTIA of $20,000,000.

The conference agreement does not include funds proposed in the Senate-reported bill to pay for costs associated with the International Telecommunications Union. This matter is further addressed under title IV.

Public Broadcasting facilities, Planning and Construction

The conference agreement includes $15,250,000 for Public Broadcasting Facilities, Planning and Construction grants as proposed in both the House bill and the Senate-reported bill. The conference agreement allows up to $1,500,000 of this amount to be used for program administration, as provided in both the House bill and the Senate-reported bill. The conference agreement adopts recommendations included in both the House and Senate reports regarding this program.

information infrastructure grants

The conference agreement includes $21,490,000 for NTIA's Information Infrastructure Grant program as recommended by the House, instead of $4,075,000 as proposed in the Senate-reported bill.

As proposed in the House bill, within the amount provided, the conference agreement designates $3,000,000 for program, administration and allows not to exceed five percent of the total amount provided to be used for certain telecommunications research activities. The Senate-reported bill contained no provision on these matters.

The conference agreement adopts recommendations included in the House report regarding this program.

Patent and Trademark Office

salaries and expenses

The conference agreement provides $61,252,000 in direct appropriations for the Patent and Trademark Office (PTO) as proposed in both the House bill and Senate-reported bill. The conference agreement, when combined with additional fee collections and $30,000,000 in estimated carryover, will provide the PTO will total resources of $692,975,000 for the PTO in fiscal year 1997, an increase of $79,623,000 over the current operating level. The conferees concur with the concerns included in the House report. In addition, the conferees expect the PTO to promulgate rules and regulations with regard to the issuance of patents only in accordance with its existing statutory authorities.

Science and Technology

Technology Administration

Under Secretary for Technology/Office of Technology Policy

salaries and expenses

The conference agreement includes $9,500,000 for the Technology Administration, instead of $5,000,000 proposed in the House bill and $7,500,000 as proposed in the Senate-reported bill. The conference agreement adopts the recommendations included in the House and Senate reports with the following exception. The conference agreement designates $2,500,000 of the amounts provided to be used to fund the U.S.-Israel Science and Technology Commission as proposed in the Senate-reported bill. The conference agreement retains the heading proposed for this account in the House bill, instead of the heading included in the Senate-reported bill.

National Institute of Standards and Technology

Scientific and Technical Research and Services

The conference agreement includes $268,000,000 for the internal (core) research account of the National Institute of Standards and Technology as proposed in the House bill, instead of $270,400,000 as proposed in the Senate-reported bill.

The conference agreement adopts the allocation of funds provided in this account as delineated in the House report, with the following exception. The conference agreement assumes that, of the amounts provided, $1,200,000 is provided for NIST to expand its activities related to a national resource construction program utilizing natural resources.

Industrial technology services

The conference agreement includes $320,000,000 for the NIST external research account instead of $200,400,000 as proposed in the House bill and $159,900,000 as proposed in the Senate-reported bill.

Of the amounts provided, $95,000,000 is for the Manufacturing Extension Partnership Program instead of $89,900,000 as proposed in the House bill and $99,000,000 as proposed in the Senate-reported bill. Language is included in the bill to allow one additional year of support for manufacturing technology centers which have already existed for six years. The Senate-reported bill proposed a three year extension of support for these centers. The House bill contained no extension. The conference agreement reflects the belief that this matter is most appropriately addressed through the authorization process. The conference agreement has included the funding increase above the House in order to allow continued funding of these centers for one year.

The conference agreement provides $225,000,000 for the Advanced Technology Program (ATP), instead of $110,500,000 as proposed in the House bill and $60,000,000 as proposed in the Senate-reported bill. The conference agreement deletes limitations included in the House and Senate-reported bills restricting the use of funds provided for this program.

construction of research facilities

The conference agreement provides no appropriation for the NIST Construction account instead of $15,000,000 as proposed in the Senate-reported bill. The House bill recommended no appropriation for this account.

The conference agreement also includes, at the end of this title, the rescission of $16,000,000 of prior year carryover amounts from this account. The result of the conference action will allow NIST to obligate $27,600,000 under this account for fiscal year 1997. The conference agreement adopts the recommendations included in the Senate report allowing these funds to be used only for maintenance and necessary fire and safety upgrades for existing NIST facilities, and for the completion of the Advanced Chemical Sciences Laboratory at the NIST Gaithersburg campus. The conferees expect NIST to follow the direction included in both the House and Senate reports regarding an evaluation of NIST's long-term facilities requirements.

National Oceanic and Atmospheric Administration

operations, research and facilities

(including transfer of funds)

The conference agreement includes $1,854,067,000 for the Operations, Research, and Facilities account of the National Oceanic and Atmospheric Administration (NOAA) instead of $1,738,200,000 as proposed by the House and $1,933,703,000 as proposed in the Senate-reported bill. In addition, the conference agreement allows $3,000,000 in offsetting fees related to the aeronautical charting program to be collected to offset this amount, resulting in a final direct appropriation of $1,851,067,000 instead of $1,735,200,000 as proposed by the House and $1,930,703,000 as proposed in the Senate-reported bill.

In addition to the new budget authority provided, the conference agreement allows a transfer of $66,000,000 from balances in the account titled ``Promote and Develop Fishery Products and Research Related to American Fisheries'', instead of $68,000,000 as proposed by the House and $62,000,000 as proposed in the Senate-reported bill. In addition, the conference agreement assumes NOAA will use the Federal Ship Financing Fund to cover administrative expenses related to that account.

The conference agreement does not include language proposed in the House bill designating the amounts provided under this account for the six NOAA line offices. The Senate-reported bill contained no similar provision. The conference agreement adopts the direction included in the House report regarding the development of a revised budget structure for NOAA in consultation with the House and Senate Appropriations Committees, as well as recommendations concerning financial and budgetary management deficiencies at NOAA.

NOAA Commissioned Corps.--The conference agreement includes new language setting the ceiling on the number of commissioned corps officers in fiscal year 1997 at not more than 299 by September 30, 1997 and requires the Department of Commerce, in conjunction with NOAA, to submit to the Congress by November 15, 1996 a long-term plan and legislative proposal to implement its recommendations regarding the NOAA commissioned corps. The House bill contained a provision to eliminate all commissioned corps officers by September 30, 1997 in accordance with the Administrator of NOAA's announcement on January 25, 1996 to eliminate the commissioned corps in fiscal year 1997. The Senate-reported bill set a ceiling of not to exceed 358 officers in fiscal year 1997.

Marine Services.--The conference agreement adopts the House recommendation to eliminate the Marine Services subactivity and provide funding directly to the line offices under the heading ``Acquisition of Data.'' The conferees believe this reform will provide NOAA line organizations with an incentive to make cost-benefit tradeoffs between using NOAA and charter vessels. As the NOAA fleet has downsized, NOAA line organizations are seeking alternatives to fleet resources to meet their data collection needs. This reform will provide NOAA line offices additional flexibility necessary to meet their needs. The conferees expect NOAA to follow the guidance in the House report regarding the use of these funds.

Unless specifically stated otherwise in this Statement of the Committee of the Conference, amounts expended from the NOAA Operations, Research and Facilities account are to be allocated in accordance with the recommendations previously described in the Committee reports of the House and Senate.

The following table reflects the distribution of the funds provided in this conference agreement:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION--FISCAL YEAR 1997 BUDGET

[Dollars in thousands]

	Fiscal year 1996 appropriation	Fiscal year 1997-- Request	House	Senate	Conference
NATIONAL OCEAN SERVICE:					
Navigation Services:					
Mapping and Charting................	$36,500	$38,586	$38,000	$35,500	$38,000
Geodesy.............................	20,167	20,330	20,330	19,367	20,167
Tide and Current Data...............	11,000	11,679	11,000	13,679	12,500
Chesapeake Bay observation buoys.	400	....	....	400	....
Total, Navigation Services...	68,067	70,595	69,330	68,946	70,667
Ocean Resources Conservation and Assessment:					
Estuarine and Coastal Assessment.....	2,674	2,674	2,674	2,674	2,674
Ocean assessment program.........	21,925	24,204	12,600	28,619	27,300
Damage assessment................	1,200	3,200	2,200	3,200	2,200
Transfer from Damage Assessment Fund...........................	6,550	5,276	5,276	5,276	5,276
Oil Pollution Act of 1990........	1,000	1,000	1,000	1,000	1,000
Ocean Services..................	3,000	3,000	2,500	3,000	2,500
Subtotal....................	36,349	39,354	26,250	43,769	40,950

Coastal Ocean Science: Coastal ocean program	11,500	14,841	11,700	15,200	15,200
Subtotal	11,500	14,841	11,700	15,200	15,200
Total, Ocean Resources Conserv. & Assess	47,849	54,195	37,950	58,969	56,150
Ocean and Coastal Management:					
Coastal Management:					
CZM grants	46,200	46,200	46,200	49,800	46,200
Estuarine research reserve system	1,000	4,088	1,000	4,588	1,300
Nonpoint pollution control	....	2,552	....	2,552	....
Subtotal	47,700	52,840	47,200	57,440	47,500
Ocean Management: Marine sanctuary program	11,685	11,876	11,685	11,876	11,685
Subtotal	11,685	11,876	11,685	11,876	11,685
Total, Ocean and Coastal Management	59,385	64,716	58,885	69,316	59,185
Acquisition of Data \1\	....	....	16,495	....	18,200
TOTAL, NOS	175,301	189,506	182,660	197,231	204,202

NATIONAL MARINE FISHERIES SERVICE:

Information Collection & Analyses:

Resource Information.................	83,171	95,285	87,000	98,513	91,330
Antarctic research...............	1,200	1,200	1,200	1,200	1,200
Chesapeake Bay Studies...........	1,500	1,500	1,890	1,500	1,890
Right whale research.............	200	200	200	300	250
MARFIN...........................	3,000	3,000	3,000	3,000	3,000
SEAMAP...........................	1,200	1,200	900	1,200	1,200
Alaskan groundfish surveys.......	661	661	661	661	661
Bering Sea pollock research......	945	945	945	945	945
West Coast groundfish............	780	780	780	780	780
New England stock depletion......	1,000	1,000	1,000	1,000	1,000
Hawaii stock management plan.....	500	....	....	500	500
Yukon River chinook salmon.......	700	700	700	700	700
Atlantic salmon research.........	710	710	500	710	710
Gulf of Maine groundfish survey..	567	567	567	567	567
Dolphin/Yellowfin Tuna Research..	250	250	250	250	250
Habitat research/evaluation......	450	450	450	450	450
Pacific salmon treaty program....	5,587	5,587	5,000	5,587	5,587
Fisheries Cooperative Inst.......	410	410	410	410	410
Hawaiian monk seals..............	500	500	....	520	500
Stellar sea lion recovery plan...	1,440	1,440	1,440	1,770	1,770
Hawaiian sea turtles.............	240	240	....	248	248
Bluefish/Striped Bass............	....	....	785	....	785
Halibut/Sablefish................	1,200	1,200	1,200	1,200	1,200
Gulf of Mexico Mariculture.......	....	....	300	....	300

Subtotal....................	107,461	117,825	109,178	122,011	116,233
Fishery Industry Information:					
Fish statistics.................	13,000	13,481	13,000	14,000	13,000
Alaska groundfish monitoring.....	5,200	5,200	5,200	5,400	5,200
PACFIN/catch effort data.........	3,000	3,000	3,000	3,000	3,000
Rec. fishery harvest monitoring..	2,900	2,900	2,900	3,900	3,400
Subtotal....................	24,100	24,581	24,100	26,300	24,600
Information Analyses & Dissemination.	20,913	21,471	18,400	21,500	20,900
Computer hardware and software...	4,000	4,000	4,000	4,000	4,000
Subtotal....................	24,913	25,471	22,440	25,500	24,900
Total, Info., Collection, & Analyses...................	156,474	167,877	155,678	173,811	165,733
Conservation and Management Operations:					
Fisheries Management Programs........	19,500	25,597	18,000	26,100	22,000
Columbia River hatcheries........	10,300	10,300	9,000	10,955	10,955
Columbia River end, species studies........................	288	288	144	288	288
Regional councils...............	10,200	10,200	9,500	10,500	10,200
International fisheries commissions....................	400	400	400	400	950
Management of George's Bank......	478	478	478	478	478
Beluga whale committee..........	200	....	200	200	200

Pacific tuna management	1,500	1,500	1,500	1,900	1,900
Subtotal	42,866	48,763	39,222	50,821	46,971
Protected Species Management	6,225	6,750	5,000	6,500	5,700
Driftnet Act implementation	3,278	3,278	2,500	3,278	3,278
Marine Mammal Protection Act	9,000	10,250	8,000	10,250	9,125
Endangered Species Act recovery plan	13,000	14,800	13,000	14,800	13,500
Fishery observer training	417	....	417	417	417
East Coast observers	350	350	350	350	350
Subtotal	32,270	35,428	29,267	35,595	32,370
Habitat Conservation	8,000	10,300	8,000	10,300	8,000
Enforcement & Surveillance	15,800	17,790	15,800	17,700	16,500
Total, Conservation and Mgmt. Opns.	98,936	112,281	92,289	114,416	103,841
State and Industry Assistant Programs:					
Interjurisdictional fisheries grants	2,600	2,600	2,000	2,600	2,600
Anadromous grants	2,108	2,108	1,000	2,108	2,108
Anadromous fishery project	250	250	....	250	....
Interstate fish commissions	4,000	4,000	4,000	5,700	5,000

Subtotal	8,958	8,958	7,000	10,658	9,708
Fisheries Development Program:					
Product quality and safety/ Seafood Inspection	14,624	14,624	14,000	14,624	14,624
Hawaiian Fisheries Development	750	....	....	750	750
Marine Biotechnology	1,900	1,900	....	1,900	1,900
Subtotal	17,274	16,524	14,000	17,274	17,274
Total, State & Industry Assist. Progs	26,232	25,482	21,000	27,932	26,982
Acquisition of Data \1\	....	....	29,940	....	26,840
TOTAL, NMFS	281,642	305,640	298,907	316,159	323,396
OCEANIC AND ATMOSPHERIC RESEARCH:					
Climate and Air Quality Research:					
Interannual & Seasonal/Climate & Global	65,500	76,712	67,000	73,500	68,000
GLOBE	....	7,000	....	7,000	6,000
Subtotal	....	83,712	67,000	80,500	74,000
Long-Term Climate & Air Quality Research	27,272	29,402	27,272	29,402	28,372
VENTS	2,500	....	....	....	....
High Performance Computing	6,500	9,567	6,500	9,000	7,500

Subtotal	36,272	38,969	33,772	38,402	35,872
Total, Climate and Air Quality	101,772	122,681	100,772	118,902	109,872
Atmospheric Programs:					
Weather Research	33,613	33,905	33,613	33,613	33,613
Wind profiler	4,350	4,350	4,350	4,350	4,350
Subtotal	37,963	38,255	37,963	37,963	37,963
Solar/Geomagnetic Research	5,483	5,511	5,219	5,493	5,493
Total, Atmospheric Program	43,446	43,766	43,182	43,456	43,456
Ocean and Great Lakes Programs:					
Marine Prediction Research	10,226	9,608	10,608	12,151	15,651
GLERL	5,200	5,200	5,200	5,200	5,200
Great Lakes Sea Lampricide	....	....	4,099	4,099	....
VENTS	....	2,500	....	2,500	....
Subtotal	15,426	17,308	19,907	23,950	20,851
Sea Grant:					
Sea grant college program	53,300	48,793	53,300	55,300	54,300
Subtotal	53,300	48,793	53,300	55,300	54,300
National Undersea Research Program	12,000	....	....	14,900	12,000

Subtotal.................... 12,000 ....
.... 14,900 12,000

Total, Ocean & Great Lakes

Programs.................. 80,726 66,101
73,207 94,150 87,151
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Acquisition of Data \1\................ ....
14,665 12,690

TOTAL, OAR.......................... 225,944 232,548 2
31,826 256,508 253,169
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NATIONAL WEATHER SERVICE:

Operations and Research:

Local Warnings and Forecasts......... 405,300 399,020 3
87,020 392,337 390,000
Radiosonde replacement.............. .... 4,255 ....
.... 4,255 1,500
Susquehanna River Basin Flood Sys.... 669 669
1,000 1,000 1,000
Aviation forecasts.................. 35,596 35,596
35,596 35,596 35,596
Regional climate centers............ 2,000 ....
2,000 2,000 2,000

Subtotal.................... 443,565 439,540 4
25,616 435,188 430,096
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Central Forecast Guidance........... 28,193 29,543
28,193 29,543 28,700
Atmospheric and Hydrological Research 2,000 2,589
2,000 2,589 2,000

Total, Operations and Research... 473,758 471,672 4
55,809 467,320 460,796
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Systems Acquisition; Public Warning and

Forecast Systems:

NEXRAD.............................. 53,335 53,145
53,145 53,145 53,145

ASOS................................ 16,952 10,056
10,056 10,056 10,056
AWIPS/NOAAPort...................... 50,000 119,800 1
00,000 100,000 100,000
Computer Facility Upgrades........... 12,000 15,993
14,000 15,993 14,000

Total, Systems Acquisition....... 132,287 198,994 1
77,201 179,194 177,201

TOTAL, NWS....................... 606,045 670,666 6
33,010 646,514 637,997
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NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND

INFORMATION SERVICE:

Satellite Observing Systems:

Polar spacecraft and launching....... 174,765 147,644 1
47,300 147,644 147,300
Polar convergence/IPO................ 39,500 78,200
19,000 29,000 29,000
Geostationary spacecraft and

launching.......................... 153,106 205,922 1
71,480 191,922 171,480
Ocean remote sensing................. 4,000 1,552 ....
.... 6,000 4,000
Environmental observing services..... 49,000 53,615
49,000 52,600 51,000

Total, Satellite Observing

Systems......................... 430,371 486,933 3
86,780 427,166 402,780
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Environmental Data Management Systems.... 29,865 30,098
30,002 27,515 30,002
Data and Information Services........ 11,300 14,800
14,800 11,300 14,800

Total, EDMS...................... 41,165 44,898
44,802 38,815 44,802

Undistributed Reduction................. ....
(5,685) ....

TOTAL, NESDIS	471,536	531,831	425,897	465,981	447,582
PROGRAM SUPPORT:					
Administration and Services:					
Executive direction and administration	20,000	19,512	17,520	19,500	19,200
Systems Program Office (SPO)	1,500	1,497	1,497	1,497	1,497
Subtotal	21,500	21,009	19,017	20,997	20,697
Central Administrative Support	33,000	35,573	31,000	35,500	33,000
Retired Pay Commissioned Officers	7,706	8,112	7,706	8,112	8,000
Total, Administration and Services	62,206	64,694	57,723	64,609	61,697
Marine Services \2\	61,100	56,292	....	56,292	....
Aircraft Services	9,153	10,182	9,153	10,182	10,000
Total, Aircraft Services	9,153	10,182	9,153	10,182	10,000
TOTAL, PS	132,459	131,168	66,876	131,083	71,697
Direct Obligations	1,892,927	2,061,539	1,839,176	2,013,476	1,938,043
Reimbursable Obligations	309,715	310,515	313,515	313,515	313,515
New offsetting collections (data sales)	....	1,200	1,200	1,200	1,200
Anticipated Collections	3,000	3,000	3,000	3,000	3,000
Subtotal--Reimbursables	312,715	314,715	317,715	317,715	317,715

TOTAL OBLIGATIONS........................... 2,205,642 2,376,074 2,1
56,891 2,331,191 2,255,758
==================================
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FINANCING:

Deobligations........................... (29,000) (13,800) (
29,000) (13,800) (14,000)
Fish Fees............................... .... (10,000) ....
....
Unobligated balance transferred, net..... (2,650) ....
....
Federal Ship Financing Fund expenses..... (1,700) ....
(1,700) (1,700) (1,700)
New offsetting collections (data sales).. .... (1,200)
(1,200) (1,200) (1,200)
Anticipated offsetting collections....... (3,000) (3,000)
(3,000) (3,000) (3,000)
Federal funds........................... (272,207) (282,500) (2
82,500) (282,500) (282,500)
Non-federal funds....................... (37,508) (31,015) (
31,015) (31,015) (31,015)
SUBTOTAL--FINANCING......................... (346,065) (341,515) (3
48,415) (333,215) (333,415)
BUDGET AUTHORITY............................ 1,859,577 2,037,559 1,8
08,476 1,997,976 1,922,343
FINANCING FROM:

Promote and devleop American fisheries... (63,000) (61,068) (
68,000) (62,000) (66,000)
Damage assessment & restoration revolving

fund................................... (3,900) (5,276)
(5,276) (5,276) (5,276)
==================================
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APPROPRIATION, ORF.......................... 1,792,677 1,971,215 1,7
35,200 1,930,700 1,851,067

\1\ Funding for this item previously appeared under Marine Services in Program Support.
\2\ Funding for this item appears under Acquisition of Data in NOS, NMFS, and O
AR.

The following narrative provides additional information related to certain items included in the preceding table.

national ocean service

The conferees have provided a total of $204,202,000 under this account for the activities of the National Ocean Service. In addition, the conference agreement adopts changes proposed by the House to reorder and rename certain activities under NOS to more clearly identify their functions.

Mapping and Charting.--The conference agreement provides $38,000,000 for NOAA's mapping and charting programs for the purposes as described in the House report. The conferees continue their direction included in the fiscal year 1996 conference report that no funds available to NOAA should be used to procure equipment that replaces or modernizes NOAA's in-house measurement capabilities when similar services may be obtained by contract through the private sector.

Coastal Ocean Program.--The conference agreement provides $15,200,000 for the Coastal Ocean Program. The conference agreement adopts the recommendation included in the House report regarding efforts to respond to the algae bloom in the Peconic Estuary system and adjacent Long Island waters, as well as the Gulf of Mexico waters. In addition, within the increase provided, the conference agreement recommends that the Coastal Ocean Program managers initiate a national harmful algal bloom program focused on the causes and different types of blooms, and long-term strategies for examining and alleviating them. Further, the conference agreement includes support for the high-salinity estuary activities as directed in the Senate report. Further, the conferees recommend a moderate portion of the increase provided for COP to be used for restoration of the South Florida ecosystem, but encourage NOAA to consolidate these activities within existing programs whenever possible. In addition, the conferees would support funding for this activity from within NMFS.

Coastal Zone Management Program.--The conference agreement includes $46,200,000 for CZM program grants. An additional $1,300,000 is provided for the National Estuarine Research Reserve program, in addition to $3,000,000 provided under the Coastal Zone Management Fund described later in this report.

Marine Sanctuary Program.--The conference agreement includes $11,685,000 for the National Marine Sanctuary Program. The conferees direct that no user fees be imposed with respect to the Hawaiian Islands National Humpback Whale Sanctuary.

Other.--Within the amounts provided for geodesy, the conference agreement includes $500,000 for continuation of geodetic survey work as described in the Senate report, and adopts the recommendations in the House report concerning the completion of the multipurpose land information system project. The conferees expect NOAA to provide a report within 30 days of enactment of the accompanying Act on its plans to implement this guidance.

Within the amounts provided for tide and current data, $1,500,000 is provided for a one-time effort to establish a national coastal data center as identified in the Senate report.

Within the amounts provided for ocean assessment, the conference agreement includes a total of $12,000,000 for NOAA's Coastal Services Center, including activities related to coastal hazards research and defense technology as provided in the Senate report. In addition, the conference agreement provides $2,700,000 as described in the Senate report for research efforts to apply innovative technologies to the monitoring, management, and prevention of contamination of estuaries and coastal waters.

Within the amounts provided for acquisition of data under the National Ocean Service, the conference agreement includes $1,705,000 for operation of the RONALD H. BROWN in fiscal year 1997 in accordance with the direction included in the Senate report.

national marine fisheries service

The conference agreement includes a total of $323,396,000 for the National Marine Fisheries Service.

The conference agreement provides $91,330,000 for fisheries resource information. Within the funds provided, the conference agreement adopts the recommendations included in the Senate report with respect to experimental by-catch research, MARMAP, research related to rehabilitation of Gulf Coast fisheries, red drum research and research related to pollution and depletion of stocks in the Narragansett Bay. In addition, the conference agreement provides $5,200,000 for Alaska groundfish to be allocated per the distribution in the Senate report, and $1,770,000 for Stellar Sea Lion recovery plans in accordance with the direction included in the Senate report.

Within the funds provided for Fishery Industry Information, the conference agreement provides $3,400,000 for recreational fishery harvest monitoring to be expended in accordance with the direction included in the Senate report.

The conference agreement includes $22,000,000 for fisheries management programs. Within the amounts provided, the conference agreement includes funding at levels recommended in the Senate report for the Alaska Native Harbor Seal Commission, the Advisory Committee to the International Convention for the Conservation of the Atlantic Tuna, and pelagic fisheries research and management. The conference agreement also provides $10,955,000 for Mitchell Act hatchery programs, including $655,000 for mass marking of Mitchell Act hatchery salmon, and concurs with the Senate Report regarding these programs and regarding NMFS staffing needs in the Northwest. Within the amounts provided for international fisheries commissions, the conference agreement provides $450,000 for the Arctic Council Sustainable Development Secretariat.

Within the funds provided for protected species management, the conferees expect that no reductions will be taken against field activities.

In addition, the conference agreement adopts the recommendations included in the House report regarding the funding and direction for sea turtle protection except that the sea protection activities at Rancho Nuevo shall also include the implementation of tagging all of the released hatchlings to improve data on survivability, and the implementation of a Kemp's Ridley headstart program in Mexico. The conferees also concur in the direction included in the House report regarding

See Turtle/Shrimp Fishery Response Plan activities. In addition, the conferees reiterate the previous direction provided to NOAA that NOAA and NMFS provide an independent peer review of the NMFS November 14, 1994 and subsequent Biological Opinions on sea turtle conservation. The conferees direct NMFS and the Department not to decertify any turtle excluder devices until every effort has been made, working with industry and others, to improve or modify existing devices to increase turtle escapement. The conference agreement assumes that funds will be made available under Resource Information and other NMFS programs to enable an independent entity to collect and assess data on catch effort and by-catch in the shrimp fishery. This independent effort shall provide site-to-site and long term information regarding the relative abundance of sea turtles, and NMFS may use its authority to provide scientific exemption permits to collect shrimp trawl by-catch data in non-turtle excluder device equipped trawls. The conferees reiterate the funding direction provided in fiscal year 1996 for the establishment of a systematic stranding monitoring program and direct that these funds be used to establish a scientifically sound program based on transect survey techniques that will provide data suitable for analytical stock assessments.

Within the funds provided for the Marine Mammal Protection Act, the conference agreement adopts recommendations specified in the Senate report, and includes $100,000 for data collection regarding bowhead whales in the North Slope Borough.

oceanic and atmospheric research

The conference agreement includes a total of $253,169,000 for Oceanic and Atmospheric Research activities.

Interannual and seasonal climate research.--The conferees have provided $68,000,000 for interannual and seasonal climate research under the structure proposed by the House, of which $60,000,000 is to continue the basic Climate and Global Change program. The remaining $8,000,000 is to carry out the base interannual and seasonal research programs. The increases are provided in accordance with the direction included in the House report.

The conference agreement provides $6,000,000 for the Global Learning to Benefit the Environment (GLOBE) program, instead of no funding as proposed by the House, and $7,000,000 as proposed in the Senate-reported bill.

Marine prediction research.--The conference agreement provides $15,651,000 for marine prediction research. Within this amount, the Arctic Research Initiative is to be funded according to the House report, and the tsunami mitigation, Lake Champlain and VENTS programs are to be funded according to direction in the Senate report.

GLERL.--Within the $5,200,000 provided for the Great Lakes Environmental Research Laboratory, the conferees expect NOAA to continue to support the Great Lakes nearshore research and GLERL zebra mussel research programs.

Sea grant.--The conferees have included $54,300,000 for the National Sea Grant program, and expect NOAA to continue to fund oyster disease research, zebra mussel research and the National Coastal Research and Development Institute within these amounts. The conferees continue to urge NOAA to fund proposals related to the Vibrio vulnificus issue and the education of at-risk consumers regarding raw molluscan shellfish.

national weather service

The conference agreement includes a total of $637,997,000 for the National Weather Service.

The amount provided includes $390,000,000 for local warnings and forecasts, including the staffing related to the modernization of the weather service, data buoy maintenance, and Pacific and Alaska regional headquarters.

The conferees direct that any reductions required be applied to the operations and staffing levels at NWS central headquarters in the national capital area, and adopt the directive included in the House report that NWS submit a streamlining plan for such reductions not later than November 1, 1996. The conference agreement adopts the direction in the House report regarding notification prior to NWS office closures. In addition, the conference agreement includes the House recommendation regarding radiosonde replacement.

The conference agreement provides the full request for acquisition of the next-generation radar (NEXRAD) and the automated surface observing system (ASOS), including funding for the three additional NEXRADs identified as necessary in the Secretary's report concerning the adequacy of coverage, and the conferees encourage NOAA to have such equipment in place and operational prior to the 1997 tornado season.

The conferees remain concerned about gaps in coverage provided by NOAA Weather Radio in eastern Kentucky and Kansas. NOAA is directed to promptly update its 1994 study of radio coverage and provide recommendations for the placement of additional or upgraded transmitters by March 30, 1997. NOAA is further directed to immediately implement recommendations of the 1994 study by placing 1000 watt transmitters at Ezel, Pineville, and Pikeville, Kentucky.

Advanced Weather Interactive Processing Systems (AWIPS).--The conferees are extremely concerned about the AWIPS program. The AWIPS program has been plagued by cost growth, scheduling delays, management changes, and slow technical progress. The conferees remind NOAA that the original plans estimated a total cost at completion of $350,000,000. Earlier this year, the Administrator of NOAA testified to the House Science Committee that the estimated cost at completion (EAC) for the program was $525,000,000 and that the AWIPS program could be operated under such a cost cap. The conferees note that Congress, through the end of fiscal year 1996, will have already invested $261,335,000 in the AWIPS program. Therefore, the conferees direct the AWIPS program to be delivered within the $525,000,000 EAC, and put NOAA on notice that additional resources will not be available should NOAA fail to deliver the system within the current $525,000,000 cost estimate.

Further, the conferees continue to have reservations about NOAA's current plan to make the final production decision on full-scale deployment of AWIPS in September 1996. The conferees agree with the Department of Commerce Inspector General and believe that sufficient operational testing of the system must occur prior to the final decision being made for full scale deployment. The conferees note that a small delay in the final production decision would not impede the ability of NWS to complete deployments scheduled in fiscal year 1997. Therefore, the conferees believe the most prudent course would be for the NWS and the Department to delay such decisions until additional operational testing has been completed.

Therefore, the conference agreement provides $100,000,000 for the AWIPS program, a 100 percent increase over the current fiscal year, an amount sufficient to enable a two year deployment of the system within a $525,000,000 total EAC for the program. The conference agreement adopts the directives included in the House report directing NOAA to submit a reprogramming in accordance with section 605 of the accompanying Act prior to the expenditure of funds for full-scale acquisition and deployment of the system. Such reprogramming should include a certification by the Secretary of Commerce to address the criteria specified in the House report, with the following modification: the cost to complete development, acquisition and deployment of the AWIPS through build six and associated activities, including program management and operations and maintenance through completion of deployment will not exceed $263,665,000.

national environmental satellite, data and information service

The conference agreement includes $447,582,000 for NOAA's satellite and data management programs.

The conference agreement includes $44,802,000 for environmental data management systems within the amount provided for NESDIS in accordance with the recommendations included in the House report.

The conference agreement includes $29,000,000 for the interagency program office to converge the NOAA and Department of Defense (DOD) polar satellite convergence programs. The funding level provided meets the revised estimate of need for this fiscal year and was agreed upon jointly by NOAA and DOD. The conferees continue to assume that NOAA and DOD will share equally the costs for all common activities for this program. Further, the conferees expect NOAA to report to them should any additional revisions to the program be contemplated.

In addition, the conferees encourage NESDIS to work closely with the national coastal data center discussed under the National Ocean Service.

program support

The conference agreement provides $71,697,000 for NOAA program support.

Marine services.--The conference agreement adopts the House recommendation to eliminate the Marine Services account and to provide funding for these activities directly to the line offices. This matter is further discussed elsewhere in this title. In addition, the conference agreement adopts the Senate position regarding the new oceanographic research vessel, the RONALD H. BROWN, coming online in fiscal year 1997. The vessel will be homeported at the NOAA Coastal Services Center as proposed by NOAA, and operational funds have been included under NOS data acquisition.

Coastal Zone Management Fund

The conference agreement includes an appropriation of $7,800,000, as provided in both the House bill and the Senate-reported bill, from the Coastal Zone Management Fund for the purposes designated in both bills. The conference agreement allocates these funds as follows: $4,300,000 for program administration, $500,000 for State development grants, and $3,000,000 for the National Estuarine Research Reserve Program. The conference agreement provides an additional $1,300,000 in direct appropriations under the NOAA Operations, Research, and Facilities account for the National Estuarine Research Reserve Program.

Construction

The conference agreement includes a total of $58,250,000 for the NOAA Construction account, instead of $36,000,000 as proposed in the House bill and $58,000,000 as proposed in the Senate-reported bill. The conference agreement provides these funds for the purposes described in the following paragraphs.

The conference agreement provides $2,000,000 for general facilities maintenance, $1,750,000 for the Sandy Hook lease, $2,000,000 for environmental compliance, and $2,000,000 for above-standard costs at the Boulder laboratory.

The conference agreement includes a total of $12,000,000 for weather forecast office (WFO) construction, including $2,000,000 for the construction costs of WFO/Center for Environmental Studies and Management in Albany, New York. In addition, the conference agreement includes $1,000,000 for WFO maintenance.

The conference agreement provides $4,700,000 for Columbia River facilities.

The conference agreement includes $2,000,000 for NMFS Honolulu laboratory renovations, $3,500,000 for the Newport Science Center renovation and expansion, $5,000,000 to complete the NMFS Southeast laboratory project, and $6,000,000 for the NMFS Juneau laboratory.

In addition, the conference agreement designates $8,500,000 for construction and related expenses for an environmental technology facility in New Hampshire.

As provided by both the House and Senate, the conference agreement includes $5,000,000 for Pribilof Island cleanup. In addition, $1,000,000 is provided for National Estuarine Research Reserves construction.

Fleet Modernization, Shipbuilding and Conversion

The conference agreement includes $8,000,000 for the NOAA Fleet Modernization account, as provided in the Senate-reported bill, instead of $6,000,000 as provided in the House bill. The conference agreement provides funding for necessary maintenance costs as well as funds to complete the outfitting of the oceanographic vessel scheduled to come on line in fiscal year 1997. This matter is further addressed elsewhere in this title under the NOAA Operations, Research and Facilities account. In addition, the conference agreement contains language included in section 612 further clarifying the uses of these funds.

Fishing Vessels and Gear Damage Compensation Fund

The conference agreement includes $200,000 for an appropriation to the Fishing Vessel and Gear Damage Fund as provided in both the House bill and the Senate-reported bill.

Fishermen's Contingency Fund

The conference agreement includes $1,000,000 for the Fishermen's Contingency Fund, as provided in both the House bill and the Senate-reported bill.

Foreign Fishing Observer Fund

The conference agreement includes $196,000 for the expenses related to the Foreign Fishing Observer Fund, as provided in both the House bill and Senate-reported bill.

Fishing Vessel Obligations Guarantees

The conference agreement provides $250,000 in subsidy amounts for Fishing Vessel Obligations Guarantees as proposed by the House bill and the Senate-reported bill.

General Administration

SALARIES AND EXPENSES

The conference agreement includes $28,490,000 for the general administration of the Commerce Department, instead of $27,400,000 as provided in the House bill and $29,100,000 as provided in the Senate-reported bill. The conferees are concerned that disproportionate reductions have been taken against the Departmental support functions. Therefore, the conferees expect that any further reductions necessary will be taken from Executive Direction, and expect the Department to submit a plan for meeting the reductions assumed in the bill in accordance with section 605 of this Act.

OFFICE OF INSPECTOR GENERAL

The conference agreement includes $20,140,000 for the Commerce Department Inspector General, instead of $19,445,000 as proposed in the House bill and $20,849,000 as proposed in the Senate-reported bill.

National Institute of Standards and Technology

CONSTRUCTION OF RESEARCH FACILITIES

(RESCISSION)

The conference agreement includes a rescission of $16,000,000 from the NIST Construction account, instead of $31,800,000 as proposed in the Senate-reported bill. This rescission of $16,000,000 reduces the carryover appropriation under this account to $27,600,000. Uses of these remaining funds are addressed in the description of the fiscal year 1997 appropriation under this account.

National Oceanic and Atmospheric Administration

OPERATIONS, RESEARCH AND FACILITIES

(RESCISSION)

The conference agreement includes a rescission of $20,000,000 from the NOAA Operations, Research and Facilities account, instead of $10,000,000 as proposed in both the House and Senate-reported bills. This rescission is derived from balances no longer required in the NOAA satellites programs due to re-estimates of program needs.

General Provisions--Department of Commerce

The conference agreement includes the following general provisions for the Department of Commerce:

Sec. 201.--The conference agreement includes section 201, identical in both the House and Senate versions of the bill, regarding certifications of advanced payments.

Sec. 202.--The conference agreement includes section 202, identical in both the House and Senate versions of the bill, allowing funds to be used for hire of passenger motor vehicles.

Sec. 203.--The conference agreement includes section 203, identical in both the House and Senate versions of the bill, prohibiting reimbursement to the Air Force for hurricane reconnaissance planes.

Sec. 204.--The conference agreement includes section 204, identical in both the House and Senate versions of the bill, prohibiting funds from being used to reimburse the Unemployment

Trust Fund for temporary census workers.

Sec. 205.--The conference agreement includes section 205, identical in both the House and Senate versions of the bill, regarding transfer authority between Commerce Department appropriation accounts.

Sec. 206.--The conference agreement includes section 206, identical in both the House and Senate-reported versions of the bill, providing for the notification of the House and Senate Committees on Appropriations of a plan for transferring funds to appropriate successor organizations within 90 days of enactment of any legislation dismantling or reorganizing the Department of Commerce.

Sec. 207.--The conference agreement includes section 207, identical in both the House and Senate-reported versions of the bill, requiring that any costs related to personnel actions incurred by a Department or agency funded in title II of the accompanying Act, be absorbed within the total budgetary resources available to such Department or agency.

Sec. 208.--The conference agreement includes a modified general provision, similar to language included in the House and Senate bills, permanently prohibiting funds to develop or implement new individual fishing quota programs, whether such quota are transferable or not, until offsetting fees to pay for the cost of administrating such quotas are authorized. The modified provision also clarifies the application of this provision to certain fisheries.

Sec. 209.--The conference agreement includes section 209, included in the House bill and in the fiscal year 1996 appropriations Act, allowing the Secretary to award contracts for certain mapping and charting activities in accordance with the Federal Property and Administrative Services Act. The Senate bill contained no similar provision.

Sec. 210.--The conference agreement includes section 210, identical in both the House and Senate-reported versions of the bill, establishing a working capital fund in the Bureau of the Census to be available without fiscal year limitation.

The conference agreement does not include a new section, included in the Senate-reported bill, prohibiting the Department of Commerce from developing, implementing or collecting any user fees for any activity within the Hawaiian Islands National Humpback Whale Sanctuary. However, this matter is addressed elsewhere in the Statement of Managers of the Committee of Conference under the National Oceanic and Atmospheric Administration Operations, Research and Facilities account. The House bill contained no provision on this matter.

Sec. 211.--The conference agreement includes a new provision, not in either the House or Senate-reported bills, renaming the ``Magnuson Fishery Conservation and Management Act'' as the ``Magnuson-Stevens Fishery Conservation and Management Act''.

TITLE III--THE JUDICIARY

Supreme Court of the United States

Salaries and Expenses

The conference agreement includes $27,157,000 for the salaries and expenses of the Supreme Court as provided in both the House and Senate-reported bills.

Care of the building and grounds

The conference agreement includes $2,800,000 for the Supreme Court Care of the Buildings and Grounds account, compared with $2,490,000 as proposed in the House bill and $3,100,000 as proposed in the Senate-reported bill. No funding is provided for the Schematic Systems Study in this fiscal year requested in the budget, and the balance of the reduction from the request is to be taken from funding requested for staff, to bring funding in line with actual on-board staffing levels.

United States Court of Appeals for the Federal Circuit

Salaries and Expenses

The conference agreement includes $15,013,000 for the U.S. Court of Appeals for the Federal Circuit as proposed by the House and the Senate-reported bills.

United States Court of International Trade

Salaries and Expenses

The conference agreement includes $11,114,000 for the U.S. Court of International Trade as provided in both the House and Senate-reported bills.

Courts of Appeals, District Courts, and Other Judicial Services

salaries and expenses

(Including Transfer of Funds)

The conference agreement provides $2,566,000,000 for the salaries and expenses of the Federal Judiciary, instead of $2,538,956,000 as proposed in the House bill and $2,578,646,000 as proposed in the Senate-reported bill. This includes $10,000,000 provided for increased workload associated with the Antiterrorism and Effective Death Penalty Act of 1996 and Court Security needs. Funding for these purposes was not considered by either House, and is provided in response to the Administration's budget amendment submitted on September 12, 1996.

Including amounts provided under the Violent Crime Reduction Trust Fund, addressed below, the total amount available in this conference agreement for the salaries and expenses of the courts is $2,596,000,000 rather than

$2,568,956,000 as proposed in the House bill and $2,608,646,000 as proposed in the Senate-reported bill.

In addition to these appropriated resources, there is likely to be available at least $121,000,000 in carryover, $115,000,000 in current year fees and $15,000,000 from prior year funding no longer needed for the original purpose. As a result, a total of at least $2,847,000,000 will be available for the salaries and expenses of the Judiciary in fiscal year 1997.

Within the overall funding available for fiscal year 1997, the conferees expect the Judiciary to fund its highest program priorities, including additional magistrate judges to eliminate existing backlogs in caseloads, and bankruptcy personnel to address the record number of bankruptcy filings currently taking place.

The conference agreement provides that within the total provided, $500,000 shall be transferred to the Commission on Structural Alternatives for the Federal Courts of Appeals, subject to authorization of the Commission. The Senate-reported bill proposed this transfer of $500,000, but did not make it subject to authorization of the Commission. Instead, the Senate-reported bill included the authorization for the Commission under section 307. The conference agreement does not include section 307, due to the expectation that legislation authorizing the Commission will be moved separately. The conference agreement includes a change in the heading of this account, as proposed in the Senate-reported bill, to indicate that this account contains a transfer of funds. The House bill contained no provision on this matter.

The conference agreement also appropriates $2,390,000 from the Vaccine Injury Compensation Trust Fund for expenses associated with the National Childhood Vaccine Injury Act of 1986, as provided in both the House and Senate-reported bills.

Optimal utilization of judicial resources.--The conferees believe that the review underway within the Judiciary to review the optimal utilization of judicial resources, in response to the fiscal year 1996 House and Conference reports accompanying the fiscal year 1996 appropriations Act, has the capability to make important contributions to ensure that the Judiciary operates in the most efficient and cost-effective manner and expect the language in the House report accompanying H.R. 3814 to be followed.

Violent crime reduction trust-fund.--The conference agreement includes an appropriation of $30,000,000 from the Violent Crime Reduction Trust Fund, the same amount provided in the House and Senate-reported bills. The conferees intend that these funds be used to offset workload requirements of the Federal Judiciary related to the Violent Crime Control and Law Enforcement Act of 1994.

defender services

The conferees have included $308,000,000 for the Federal Judiciary's Defender Services account, instead of $297,000,000 as proposed in the House bill and $311,900,000 as proposed in the Senate-reported bill. The amount provided is for the operation of Federal public defender and community defender organizations and the compensation, reimbursement, and expenses of attorneys appointed to represent persons under the Criminal Justice Act, as amended. If additional funds are required, funding provided to the Judiciary under the Violent Crime Reduction Trust Fund and fee carryover is available by transfer, and funding for increases in workload and costs related to the Antiterrorism and Effective Death Penalty Act of 1996 is available as a result of the $10,000,000 provided under the Salaries and Expenses account.

The conferees are concerned about the rapidly rising costs in this account, and believe that the Administrative Office of the Courts needs to move as quickly as possible to understand the reason for these increases and to take such steps as may be advisable to moderate the rate of increase. Because the costs of the existing program have been rising so rapidly, sufficient funds are not available to provide an increase in the rate for panel attorneys, in addition to the increase provided in fiscal year 1996, and so funding for this purpose has not been provided. Funding of new defender organizations, excluding any that have already been proposed, should be considered only after it is clear that sufficient funding is available for the costs of existing organizations.

fees of jurors and commissioners

The conference agreement includes $67,000,000 for Fees of Jurors and Commissioners, instead of $66,000,000 as proposed in the House bill and $68,083,000 as proposed in the Senate-reported bill.

Court Security

The conference agreement includes $127,000,000 for the Federal Judiciary's Court Security account as proposed by the Senate instead of $131,000,000 as proposed by the House. The Senate-reported bill included an additional $4,000,000 by transfer from the Counterterrorism Fund under the Department of Justice. The conferees expect that an additional $4,000,000 will be available for court security from within the $10,000,000 provided within the Salaries and Expenses account for increases in workload and costs related to the Antiterrorism and Effective Death Penalty Act of 1996.

Administrative Office of the United States Courts

salaries and expenses

The conference agreement includes $49,450,000 for the Administrative Office of the United States Courts, instead of $48,500,000 as provided in the House bill and $50,900,000 as provided in the Senate-reported bill. Funding is provided for staffing at the current services level. The conferees assume that additional financial resources of $1,080,000 in fee carryover, $6,065,000 in new fee collections, and $212,000 in Independent Counsel funding will be available for the operations of the Administrative Office.

Federal Judicial Center

salaries and expenses

The conference agreement includes $17,495,000 for the fiscal year 1997 salaries and expenses of the Federal Judicial Center, as proposed in the House bill, instead of $17,914,000 as proposed in the Senate-reported bill. The conferees applaud the Federal Judicial Center for the efforts underway to increase the use of video-conferencing and other innovative methods of education and training, and intend that reductions be reflected in travel costs.

Judicial Retirement Funds

payment to the judiciary trust funds

The conference agreement includes $30,200,000 for payment to the various Judicial retirement funds as provided in both the House and Senate-reported bills.

United States Sentencing Commission

salaries and expenses

The conferees have included $8,490,000 for the U.S. Sentencing Commission, instead of $8,300,000 as provided in the House bill, and $8,867,000 as provided in the Senate-reported bill. The conferees understand that the Commission has available to it at least $800,000 in carryover, which will provide an operating level in fiscal year 1997 of $9,290,000.

The Judiciary

General Provisions

Sec. 301.--The conference agreement includes section 301 as provided in both the House and Senate-reported bills allowing appropriations to be used for services as authorized by 5 U.S.C. 3109.

Sec. 302.--The conference agreement includes section 302 as provided in both the House and Senate-reported bills which allows appropriations to be available to the Special Court established under the Regional Rail Reorganization Act of 1973.

Sec. 303.--The conference agreement includes section 303, included in both the House and Senate-reported bills, providing the Judiciary with the authority to transfer funds between appropriations accounts. The conference agreement includes language exempting the Judiciary's Defender Services and Fees of Jurors and Commissioners accounts from the 10 percent increase ceiling set by this provision.

Sec. 304.--The conference agreement includes section 304, identical in both the House and Senate-reported versions of the bill, allowing up to $10,000 of salaries and expenses funds provided in this title to be used for official reception and representation expenses of the Judicial Conference of the United States.

Sec. 305.--The conference agreement includes section 305, as proposed in both the House and Senate-reported bills, which provides a one-year extension to September 30, 1998 of the authorization for Judiciary Automation Fund.

Sec. 306.--The conference agreement includes section 306, as proposed in the Senate-reported bill, which clarifies that the Judiciary bear the cost only of special masters appointed subsequent to the enactment of the Prison Litigation Reform Act passed as part of the fiscal year 1996 Omnibus Appropriations Act. The House bill contained no similar provision.

Sec. 307.--The conference agreement includes section 307, which was not provided in either the House or Senate-reported bill, to name the United States courthouse in Medford, Oregon, as the James A. Redden Federal Courthouse.

The conference agreement does not contain section 307, as proposed in the Senate-reported bill, which authorizes the establishment of a commission to study the structure and alignment of the Federal Courts of Appeals. The House bill contained no similar provision. Under the ``Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses'' account, $500,000 has been provided to fund this commission, subject to enactment of legislation authorizing the commission.

TITLE IV--DEPARTMENT OF STATE AND RELATED AGENCIES

DEPARTMENT OF STATE

Administration of Foreign Affairs

diplomatic and consular programs

The conference agreement includes a total of $1,725,300,000 for Diplomatic and Consular Programs. This amount includes: a direct appropriation of $1,700,450,000, the same as the amount in the Senate-reported bill, instead of $1,691,000,000 as proposed in the House bill; $450,000 from the reserve fund for the International Center, as provided in both the House and Senate-reported bill; $700,000 to be derived from registration fees, as provided in both the House and the Senate-reported bill; and $23,700,000 for increased security overseas, designated as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985, which is described in more detail below, and which is provided in response to the antiterrorism budget amendment submitted by the Administration on September 12, 1996. The Senate-reported bill included $8,400,000 for security enhancements at overseas posts in the Counterterrorism Fund under the Department of Justice.

The conferees agree that the language in both the House and Senate reports under this heading is to be followed in expending fiscal year 1997 funds, with the following exceptions: the Arctic Council Sustainable Development Secretariat is addressed in this conference report under the National Oceanic and Atmospheric Administration; funding is included for the continuation of the National Law Center for Inter-American Free Trade; and the International Telecommunications Union Conference funding is intended to be addressed as provided in the House report. Funding for this Conference will be addressed only after the State and Commerce Departments have exhausted every potential source of private financing to assure that the costs of this international conference are not borne by the taxpayer.

The conference agreement includes language that was included in both the House and Senate-reported bills requiring that in fiscal year 1998, a system be in place that allocates to each department and agency the full cost of its presence outside the United States. The conferees direct that the new International Cooperative Administrative Support Services (ICASS) system is to be implemented in fiscal year 1998, and intend that the Department of State, the Office of Management and Budget and all agencies with a presence overseas cooperate to make this happen. The Office of Management and Budget is directed to ensure that the fiscal year 1998 budget submission for each Federal agency include the cost of its overseas presence in accordance with ICASS.

Security Enhancements. The conference agreement provides $23,700,000, to be available until expended, to improve the security of U.S. diplomatic facilities and increases the protection of personnel overseas. This is the amount requested in the budget amendment submitted on September 12, 1996. The funding is provided for the following:

$12,352,000 is provided for overseas physical security support, including local guards, residential security upgrades, fully and lightly armored vehicles, public access control equipment, and special protective equipment;

$6,800,000 is provided for overseas technical security support, including electronic security equipment, increased maintenance of security equipment overseas, strengthened Seabees and security engineering support and explosive detection equipment;

$500,000 for training; and

$4,048,000 for security positions, including 53 positions in the Gulf Region.

The conferees believe that all necessary steps should be taken to protect Americans working overseas. The conferees recommend that the Department take into consideration off-the-shelf security technology that has been approved and tested by the Department of Justice, Department of State, and the Department of Defense. Such technological enhancements as security barriers, security film, improved intelligence communications, and security scanning devices have been shown to greatly decrease the vulnerability, improve initial safety, and decrease the level and number of injuries resulting from terrorist attacks.

The House and Senate Committees expect to receive a full assessment of the adequacy of the security measures being undertaken as soon as possible.

salaries and expenses

The conference agreement includes a total of $352,300,000 for Salaries and Expenses, as proposed in the House bill, instead of $357,000,000 as proposed in the Senate-reported bill. The conferees adopt by reference the provisions of both the House and the Senate reports under this heading.

capital investment fund

The conference agreement includes $24,600,000 for the Capital Investment Fund, instead of $16,400,000 as proposed in the House bill, and $32,800,000 as proposed in the Senate-reported bill. The conferees adopt by reference the provisions of both the House and the Senate reports under this heading. The conferees look forward to the submission of a fully developed plan for the Department's information management effort at the earliest possible time.

Office of Inspector General

The conference agreement includes $27,495,000 for the Office of Inspector General, which has jurisdiction over the Department of State, the United States Information Agency, and the Arms Control and Disarmament Agency, the same amount as provided in both the House and the Senate-reported bills. The conference agreement includes language proposed in the Senate-reported bill that makes permanent the consolidation of the Inspector General Office of the United States Information Agency into this Office that was enacted in the fiscal year 1996 appropriations Act. The House bill included the same language as in fiscal year 1996, the legal interpretation of which is not clear as to whether the consolidation is permanent.

The conferees recommend that the fiscal year 1998 budget include all funds for the oversight of ACDA directly as part of the Inspector General's budget.

representation allowances

The conference agreement includes $4,490,000 for Representation Allowances, as provided in both the House and the Senate-reported bill.

protection of foreign missions and officials

The conference agreement includes $8,332,000 for Protection of Foreign Missions and Officials, as provided in both the House and the Senate-reported bills.

security and maintenance of united states missions

The conference agreement includes $389,320,000 for this account, which is comprised of the following: $364,495,000 for the regular operations of the Security and Maintenance account, instead of $370,000,000 as proposed in the House bill, and $360,000,000 as proposed in the Senate-reported bill; and $24,825,000, to remain available until expended, provided in response to the Administration's antiterrorism budget amendment submitted on September 12, 1996 and designated as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985, which is described in more detail below.

The conference agreement assumes the sale of the residence in Hamilton, Bermuda.

The conference agreement does not provide funds for any new facilities, nor is it likely that such funds will be available in the near future, due to budget constraints. As a result, it is incumbent upon the Department to step up its management of its existing real estate portfolio.

The April, 1996 General Accounting Office report recommended that the Secretary of State establish an independent panel to make recommendations regarding the sale of excess real estate to reduce the current inventory of property. While the conferees support the thrust of GAO's findings, they are concerned that directing the Department to sell what GAO has identified as surplus overseas properties without adequate knowledge of market conditions in those countries could cost taxpayers millions of dollars.

Consequently, the conferees direct that by no later than December 30, 1996, the Secretary establish an advisory board on real property management to (1) review information on Department of State properties proposed for sale by the Department, the Office of the Inspector General, the GAO or any other agency of the federal government; and (2) compile a list of properties recommended for sale to the Under Secretary of State for Management for approval. This list should be transmitted to the appropriate committees of the Congress. At any time when appropriate market conditions exist, the State Department is to proceed with the immediate sale of items on the approved list.

In order to assure oversight of the disposition and acquisition of facilities, the Department is expected to submit a quarterly report on its transactions, and to seek a reprogramming with respect to plans for any major new facility, such as an embassy, or consulate.

Security Enhancements. The conference agreement includes $24,825,000 for security improvements, necessary relocation expenses and security equipment for United States diplomatic facilities and missions overseas. The amount is provided in response to the funding requested by the Administration's September 12, 1996 antiterrorism budget amendment under three separate accounts: $14,300,000 under this account; $9,400,000 under the International Trade Administration in the Department of Commerce for United States and Foreign Commercial Service posts overseas, and the overseas portion, totaling $1,125,000, of the $2,500,000 requested under the Salaries and Expenses account of the United States Information Agency. All of these requests are intended to provide funds to upgrade the security of overseas facilities. Generally, the State Department has management responsibility for overseas facilities, and the conferees believe it would be more prudent to provide these requests under this account in order to assure the management of these funds by the entity that has the most experience in providing for facility needs overseas. The conference agreement earmarks the amounts intended for US&FCS and USIA to assure that the requested funds are available for these agencies.

Funding is provided for the following:

$14,300,000 for the Department of State, for security upgrades at Gulf region posts, the Cairo embassy, and relocation of US&FCS facilities in Cairo and Jeddah, and security upgrades, to U.S. owned residences.

$9,400,000 to provide security upgrades and relocations for 42 non-chancery US&FCS locations worldwide. The conferees direct that a plan be provided to the Committees on Appropriation within 30 days describing how these funds will be expended and for what locations; and

$1,125,000 for USIA for overseas security, including radios, security enhancement projects, and light armored vehicles.

emergencies in the diplomatic and consular service

The conference agreement includes $5,800,000 for Emergencies in the Diplomatic and Consular Service account, as provided in both the House and Senate-reported bills.

repatriation loans program account

The conference agreement includes a total appropriation of $1,256,000 for the Repatriation Loans Program account, as provided in both the House and Senate-reported bills.

payment to the american institute in taiwan

The conference agreement includes $14,490,000 for the Payment to the American Institute in Taiwan account, instead of $15,001,000 as proposed in the House bill, and $14,165,000 as proposed in the Senate-reported bill.

payment to the foreign service retirement and disability fund

The conference agreement includes $126,491,000 for the Payment to the Foreign Service Retirement and Disability Fund account, as provided in both the House and Senate-reported bills.

International Organizations and Conferences

contributions to international organizations

The conference agreement includes $892,000,000 for Contributions to International Organizations to pay the costs assessed to the United States for membership in international organizations, instead of $875,000,000, as proposed in the House bill, and $550,000,000 as proposed in the Senate-reported bill.

The conference agreement provides that $100,000,000 of the assessment for the United Nations can be made available only after the Secretary of State certifies by January 30, 1997 that the United Nations has taken no action during calendar year 1996 to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed its no growth budget for the biennium 1996-1997 adopted in December, 1995. The House and Senate-reported bills contained language that would have made the funds available on a quarterly basis in fiscal year 1997 only after such a certification.

The conference agreement provides that if the Secretary cannot make such a certification by January 30, 1997, the $100,000,000 is to be applied to the assessments for other international organizations in the current or next fiscal year, subject to reprogramming.The Senate-reported bill stated that the amount was to be applied to reducing the fiscal year 1998 obligations for specific organizations. The House bill contained no provision on this issue.

The conference agreement provides that $10,000,000 may be transferred to the International Conferences and Contingencies account for contributions to new or provisional international organizations or to provide funding for the travel expenses of official delegates to international conferences, subject to reprogramming. Both the House and Senate-reported bills provided that the transfer could be made only for new or provisional international organizations.

The conference agreement includes all language that was identical in the House and Senate-reported bills.

The conferees agree that from the amounts provided, five organizations be provided the full assessment: the International Atomic Energy Agency, the North Atlantic Treaty Organization and the related North Atlantic Assembly, the United Nations, and the International Civil Aviation Organization (ICAO). Funding for ICAO is provided as part of the comprehensive counterterrorism initiative included in this conference report, and the conferees urge the U.S. delegation to place increased emphasis on international flight safety and airport security.

The conferees agree that no funding is to be provided to the five organizations for which funding was not provided in fiscal year 1996.

Allocation of the remaining funds included in the conference agreement is to be made in conjunction with an assessment of the importance of the international organizations to the national interest of the United States. The Department is expected to report the results of its review of these organizations to the Appropriations Committees no later than January 30, 1997.

The conferees adopt by reference the language in the Senate report concerning the Framework Convention on Climate Change.

The conferees agree that no funding is provided for world-wide conferences.

The conferees are aware that despite the position of the United States that reductions are required, the budget for the United Nations Conference on Trade and Development (UNCTAD) is exactly the same during the current biennium as it was in the last. The Department is asked to report within 30 days of enactment of this legislation on the efforts it is making, in conjunction with the Under-Secretary-General for Management of the United Nations, to find additional budget savings in UNCTAD.

The conferees are aware that the World Intellectual Property Organization is running a surplus of approximately $100,000,000, and is proposing to spend those funds on a new building. The conferees applaud the position of the United States in opposition to the new building and encourage efforts to use the budget surplus to reduce assessments or to provide rebates to participants.

The Pan American Health Organization (PAHO) is to be commended for its improved efforts to keep the Congress informed of its activities. PAHO is urged to maintain these efforts.

contributions for international peacekeeping activities

The conference agreement provides $352,400,000 for Contributions for International Peacekeeping Activities, instead of $332,400,000, as proposed by the House, and $282,600,000 as proposed in the Senate-reported bill.

The conference agreement includes language included in the House bill, provided that of the total amount $50,000,000 is for payment of arrearages, which shall be available only upon certification by the Secretary of State that at least two of the following have been achieved: (1) savings of at least $100,000,000 in the biennial expenses of certain United Nations divisions and activities; (2) the number of professional and general service staff employed by the United Nations at the end of the current biennium will be at least ten percent below the number of such positions at the beginning of the biennium; and (3) the United Nations has adopted a budget outline for the 1998-1999 biennium that is below the current biennial budget, as part of a five-year program to achieve major cost-saving reforms in the United Nations and specialized agencies. The Senate-reported bill contained no provision on payment of arrearages.

The conferees cannot support payment of arrearages if the funding will be used to support wasteful, business-as-usual practices. Any effort to address arrearages will be taken a step at a time, and a year at a time, and should be proportional to the reform that the United Nations achieves.

Of the funds provided by the conference agreement, up to $20,000,000 is for contingencies related to African crises, particularly Burundi. If contingencies related to potential African crises arise that require use of these funds, the funds will be subject to the regular Committee review procedures under this heading prior to obligation.

The conference report contains all other language that was identical in the House and Senate-reported bills.

International Commissions

international boundary and water commission, united states and mexico

salaries and expenses

The conference agreement includes $15,490,000 for Salaries and Expenses of the International Boundary and Water Commission (IBWC), instead of $18,490,000 as proposed in both the House and the Senate-reported bills. The reason for the reduction is that the International Boundary and Water Commission has indicated that the results of contract negotiations on pending contracts have resulted in lower requirements than anticipated.

construction

The conference agreement includes $6,463,000 for the Construction account of the IBWC, as proposed by the House, instead of $7,568,000, as proposed by the Senate. The amount provided in the conference agreement, together with remaining funds previously appropriated for Mexican participation in the International Wastewater Treatment Plant, for which no use has been identified, is sufficient to fund all construction projects requested in the budget.

The conferees recognize that the issue of responsibility for the repair and maintenance of the International Outfall Line that conveys sewage from Mexico to the Nogales International Water Treatment Plant has not been resolved. The Committee requests that IBWC work diligently to resolve the issues with the City of Nogales, Arizona, and finalize an agreement by October 1, 1997.

American Sections, International Commissions

The conference agreement includes $5,490,000 for the U.S. share of expenses of the International Boundary Commission, the International Joint Commission, United States and Canada, and the Border Environment Cooperation Commission, as provided in the House bill, instead of $5,627,000 as provided in the Senate-reported bill. The reduction from the budget request is to be taken proportionately from the three Commissions.

International Fisheries Commissions

The conference agreement includes $14,549,000 for the U.S. share of the expenses of the International Fisheries Commissions and related activities. The House bill provided $10,450,000. The Senate-reported bill provided $9,051,000. Both bills provided that $4,099,000 for the Great Lakes Fishery Commission sea lampricide program be funded under the National Oceanic and Atmospheric Administration. The conference agreement includes funding for that program under this account. The reduction from the budget request is to be taken from increases requested for any Commission over its fiscal year 1996 funding level.

For the Great Lakes Fishery Commission, the conferees intend that the U.S. participation in the Commission be provided in a comparable manner to Canadian participation.

The conferees request that in the fiscal year 1998 budget, the Department display funding for this account in a manner that makes it clear how much of the funding for each Commission is related to supporting the cost of the international secretariat of each Commission, and how much of the cost is related to supporting other programmatic activities, and what those activities are.

Other

Payment to the Asia Foundation

The conference agreement includes $8,000,000 for the Payment to the Asia Foundation account, the amount provided in the House bill, instead of no funding, as provided in the Senate-reported bill.

RELATED AGENCIES

Arms Control and Disarmament Agency

Arms Control and Disarmament Activities

The conference agreement includes $41,500,000 for the Arms Control and Disarmament Agency (ACDA), instead of $38,495,000, as proposed in the House bill, and instead of $30,000,000 as proposed in the Senate-reported bill. To the maximum extent possible, reductions from the current year operating level should be taken from administrative functions, rather than from programmatic staff involved in technical aspects of ACDA's activities, including monitoring functions.

United States Information Agency

salaries and expenses

The conference agreement includes $441,375,000 for Salaries and Expenses of the United States Information Agency (USIA), of which $440,000,000 is for the regular operations of the Agency, as proposed in the Senate-reported bill, instead of $439,300,000, as proposed in the House bill; and $1,375,000 is for antiterrorism and security purposes, provided in response to the Administration's antiterrorism budget amendment submitted on September 12, 1996 and designated as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985, which is described in more detail below. All other bill language, which is identical in the House and Senate bills, is included in the conference agreement, except for one technical modification to assure that fees from student advising and counseling may be credited to this appropriation in the absence of an authorization.

Security Enhancements. The conference agreement includes $1,375,000 for enhanced security for U.S. personnel and facilities for USIA's five main facilities in Washington, and 19 facilities throughout the U.S. The funding will provide for additional guard staff, glass protection, construction of package/mail/visitor screening areas, alarms, locks and video surveillance.

technology fund

The conference agreement includes $5,050,000 for the Technology Fund, as provided in both the House and Senate-reported bills.

educational and cultural exchange programs

The conference agreement includes $185,000,000 for Educational and Cultural Exchange Programs, as proposed in the House bill, instead of $183,000,000, as proposed in the Senate-reported bill.

To the maximum extent possible, the conferees urge that the following exchange programs be supported: the International Visitors Program, the Pepper Scholarships, including the Executive Education Program for Central European Business and Professional Leaders, the Muskie Fellowships, the Humphrey Fellowships, the Disability Exchange Clearinghouse, the Congress Bundestag Exchanges, the South Pacific Exchanges, other Asian exchanges, the Institute for Representative Government, and the United States/Mexico Conflict Resolution Center.

USIA shall disburse funds to the Mansfield Center for

Pacific Affairs as provided in the Senate report.

The conferees intend that $1,000,000 is to be available for the Center for Irish Management.

The conferees intend that the remaining program direction included in both the House and the Senate reports be followed.

The conferees expect that a proposal for the distribution of the available resources among exchange programs, as well as proposed enhancements for exchanges with the Newly Independent States, will be submitted through the normal reprogramming process prior to final decisions being made.

eisenhower exchange fellowship program trust fund

The conference agreement includes language as provided in both the House and Senate bills, allowing all interest and earnings accruing to the Trust Fund in fiscal year 1997 to be used for necessary expenses of the Eisenhower Exchange Fellowships.

israeli arab scholarship program

The conference agreement language as provided in both the House and Senate bills, allowing all interest and earnings accruing to the Scholarship Fund in fiscal year 1997 to be used for necessary expenses of the Israeli Arab Scholarship Program.

international broadcasting operations

The conference agreement includes $325,000,000 for International Broadcasting Operations, as proposed in the Senate-reported bill, instead of $335,700,000 as proposed in the House bill. The conference agreement does not include funds for radio broadcasting to Cuba under this account, as proposed by the House, but rather includes all funding for Broadcasting to Cuba under a separate account, as proposed by the Senate, consistent with the fiscal year 1996 appropriations Act.

The conference agreement does not contain a provision included in the House bill stating that $9,300,000 may be made available for the operating costs of Radio Free Asia. However, the conferees are agreed that up to $9,300,000 may be made available for this purpose from the funding available under this account.

The conferees note that the Broadcasting Board of Governors has submitted an operating plan for Radio Free Asia. However, before such a plan can be approved, and additional FY 1997 funds expended, more specific information must be provided to the committees concerning transmission facilities, costs, and potential offsets for broadcast hours and costs from the Voice of America and from the rest of the Bureau of Broadcasting. The conferees are aware that RFA has carryover balances of at least $5,000,000 that may be expended in FY 1997 pending approval of a final FY 1997 operating plan. Because RFA is a new organization, the conferees request monthly progress reports and expect that a complete plan for the total broadcasts to be funded in FY 1997 be submitted no later than December 1, 1996 in accordance with Section 605 reprogramming requirements. Thereafter, the conferees direct that quarterly progress reports be submitted to the appropriate committees of jurisdiction concerning implementation of the plan.

The conference agreement does not contain a provision included in the Senate-reported bill, making $5,000,000 available until expended.

The conference agreement includes citations of underlying authorization statutes in the form proposed in the House bill, instead of in the form proposed in the Senate-reported bill.

The conferees expect that the Committees will be notified of the final distribution of funding among the activities under this account pursuant to the normal reprogramming procedures.

broadcasting to cuba

The conference agreement includes $25,000,000 for Broadcasting to Cuba under a separate account, as proposed in the Senate-reported bill, instead of $13,375,000 for radio broadcasting to Cuba within the total for International Broadcasting Operations, as proposed in the House bill.

Radio Construction

The conference agreement includes $35,490,000 for Radio Construction, instead of $39,000,000, as proposed in the House bill, and $32,000,000, as proposed in the Senate-reported bill. The account provides funding for the following activities: maintenance, improvements, replacements and repairs; satellite and terrestrial program feeds; engineering support activities; and broadcast facility leases and land rentals.

The conferees expect USIA to report on the expected distribution of funds in fiscal year 1997 including carryover through the normal reprogramming procedure.

east-west center

The conference agreement includes $10,000,000 for operations of the East-West Center, instead of no funds, as proposed in the House bill, and $11,750,000, as proposed in the Senate-reported bill.

north/south center

The conference agreement includes $1,495,000 for operations of the North/South Center, instead of no funds, as proposed in the House bill, and $2,000,000, as proposed in the Senate-reported bill.

national endowment for democracy

The conference agreement includes $30,000,000 for the National Endowment for Democracy, as provided in the House bill, instead of no funds, as provided in the Senate-reported bill.

General Provisions--Department of State and Related Agencies

Sec. 401.--The conference agreement includes section 401, as provided in both the House and Senate-reported bills, permitting use of funds for allowances, differentials, and transportation.

Sec. 402.--The conference agreement includes section 402, as provided in both the House and Senate-reported bills, dealing with transfer authority.

Sec. 403.--The conference agreement includes section 403, as provided in both the House and Senate bills, dealing with the compensation of the United States Commissioner of the International Boundary Commission, United States and Canada.

Sec. 404.--The conference agreement includes a provision waiving provisions of existing legislation that require authorizations to be in place for State Department, United States Information Agency, including International Broadcasting Operations, and Arms Control and Disarmament Agency activities prior to the expenditure of any appropriated funds, as provided in both the House and Senate-reported bills.

Sec. 405.--The conference agreement includes a provision requiring any personnel costs incurred by any Department or agency funded under this title as a result of funding reductions be absorbed within the total budgetary resources available to the Department or agency, and providing authority to transfer funds between appropriations accounts for that purpose, as proposed in both the House and Senate-reported bills.

Sec. 406.--The conference agreement includes a provision stating that starting sixty days after the enactment of this Act, none of the funds made available by this Act may be used to fund the Standing Consultative Commission unless the President provides a report to the Congress containing a detailed analysis of whether the Memorandum of Understanding on Succession and the Agreed Statement regarding Demarcation agreed to by the Standing Consultative Commission represent substantive changes to the Anti-Ballistic Missile Treaty of 1972 and whether these agreements will require the advice and consent of the Senate of the United States. The House bill contained a provision prohibiting funding for the Standing Consultative Commission or to implement changes to the Anti-Ballistic Missile Treaty unless the President certifies to the Congress that any such changes will be submitted to the Senate for its advice and consent. The Senate-reported bill contained no provision on this matter.

Sec. 407.--The conference agreement includes a provision, not in either the House or the Senate-reported bill, which permits the Secretary of State to authorize State officials or the United States Postal Service to collect and retain the execution fee for passport applications.

TITLE V--RELATED AGENCIES

Maritime Administration

operating-differential subsidies

(liquidation of contract authority)

The conference agreement includes $148,430,000 for payment of obligations incurred for the Maritime Administration (MARAD) operating differential subsidy program, as provided in both the House and Senate-reported bills.

maritime security program

The conference agreement includes $54,000,000 for the Maritime Security Program (MSP) which provides payments to maintain and preserve a U.S.-flag merchant fleet for the national security needs of the United States, subject to the authorization of the program. The Senate-reported bill contained no funding for MSP. The House bill included $63,000,000. This program is funded under the allocation for national security programs. The conferees expect MARAD to submit a notification of the proposed distribution of these funds to the House and Senate Committees on Appropriations prior to the initiation of the program.

operations and training

The conference agreement includes $65,000,000 for the Maritime Administration Operations and Training account instead of $66,600,000 as proposed by the Senate and instead of $62,300,000 as proposed by the House. The conferees intend that funding for the operation and maintenance of the U.S. Merchant Marine Academy and the State maritime schools be at no less than their respective fiscal year 1996 appropriated levels. The conference agreement does not specifically allocate the balance of the funds in this account.

maritime guaranteed loan (title xi) program account

The conference agreement provides $37,450,000 in subsidy appropriations for the Maritime Guaranteed Loan Program as proposed by the House and Senate-reported bills. This amount will subsidize a program level of not more than $1,000,000,000 as proposed by both the House and Senate-reported bills.

The conferees have also included $3,450,000 for administrative expenses associated with the Maritime Guaranteed Loan Program, as proposed in the House and Senate-reported bills. These amounts may be transferred to and merged with amounts under the MARAD Operations and Training account.

Administrative Provisions--Maritime Administration

The conference agreement includes provisions contained in both the House and Senate-reported bills involving Government property controlled by MARAD, the accounting for certain funds received by MARAD, and a prohibition on obligations from the MARAD construction fund.

Commission for the Preservation of America's Heritage Abroad

salaries and expenses

The conference agreement provides $206,000 for the Commission on the Preservation of America's Heritage Abroad, as provided in both the House and Senate-reported bills.

Commission on Civil Rights

salaries and expenses

The conference agreement includes $8,740,000 for the salaries and expenses of the Commission on Civil Rights, as proposed in both the House and Senate-reported bills.

Commission on Immigration Reform

salaries and expenses

The conference agreement includes $2,196,000, as proposed in both the House and Senate-reported bills.

Commission on Security and Cooperation in Europe

salaries and expenses

The conference agreement includes $1,090,000 for the Commission on Security and Cooperation in Europe, as provided in both the House and Senate-reported bills.

Equal Employment Opportunity Commission

salaries and expenses

The conference agreement includes $239,740,000 for the salaries and expenses of the Equal Employment Opportunity Commission, as provided in both the House and Senate-reported bills. The House bill provided $232,740,000 under this account, but under section 618, an additional $7,000,000 was provided.

Within the total amount, the conference agreement includes $27,500,000 for payments to State and local enforcement agencies for services to the Commission, instead of $26,500,000, as provided in both the House and Senate-reported bills.

Federal Communications Commission

salaries and expenses

The conference agreement provides a total of $189,079,000 for the salaries and expenses of the Federal Communications Commission instead of $185,619,000 as proposed by the House, and $192,538,000 as proposed in the Senate-reported bill. The conference agreement provides for the collection and retention of $152,523,000 in offsetting fee collections as provided in the Senate-reported bill instead of $126,400,000 as provided in the House bill.

The conference agreement includes language proposed by the House and included in previous appropriations Acts, allowing fees in excess of the amounts specified to remain available for expenditure in future years.

The conference agreement does not include language, proposed in the Senate-reported bill, to prohibit funds from being used to relocate the FCC headquarters to the Portals. However, the conference agreement does not include the requested $30,000,000 increase for costs related to this relocation. The conferees understand that there have been delays, thereby reducing the fiscal year 1997 requirements to $19,000,000. However, even with the reduced requirement, the funding allocation provided in this conference agreement will not support such significant increases for this agency in the current fiscal climate. The conferees direct the FCC to work with the General Services Administration to decrease the overall cost of the relocation and to identify alternative mechanisms to finance the relocation. The conferees expect the FCC to take actions to further streamline its operations as recommended in the House report, and intend that no funds be diverted from FCC activities directly related to implementation of the Telecommunications Act of 1996. Should actions relating to this proposed relocation be necessary in fiscal year 1997, the FCC would be required to submit a reprogramming in accordance with section 605 of this Act to cover the costs from within available resources.

The conference agreement does not include a provision proposed in the House bill prohibiting funds provided in the Act to be used to deny or delay action on licenses for any religious or religiously affiliated entity on the basis of certain employment practices. The Senate-reported bill contained no provision on this matter. However, while this provision has been deleted from the bill, concerns remain that actions taken by the FCC to challenge radio license applications or renewals for religious broadcasters on the grounds that requiring religious knowledge, training or expertise for employees is discriminatory. These concerns have arisen because of the potential impact of such actions on legitimate religious free speech. Therefore, the conferees direct the FCC not to deny any license application or renewal on these grounds inconsistent with the right to exercise this free speech in recruitment and hiring practices. If the FCC does move to deny a license application or renewal for a religious broadcaster according to its policy, it shall report to the Committees on its actions and include a demonstration that is not abridging the free speech of religious broadcasters.

Federal Maritime Commission

salaries and expenses

The conference agreement includes $14,000,000 for the salaries and expenses of the Federal Maritime Commission, instead of $14,450,000 as proposed in the Senate-reported bill and $11,000,000 as proposed in the House bill.

Federal Trade Commission

salaries and expenses

The conference agreement allows a total operating level of $101,930,000 for the Federal Trade Commission, instead of $93,819,000 as proposed in the House bill and $104,462,000 as proposed in the Senate-reported bill. The conference agreement assumes that of the amount provided, $58,905,000 will be derived from fees collected in fiscal year 1997 and $16,000,000 will be derived from estimated unobligated fee collections available from 1996. These actions result in a final appropriated level of $27,025,000, the same as provided by the House.

Use of any unobligated fee collections from 1996 above $16,000,000 are subject to the reprogramming requirements outlined in section 605 of this Act.

The conference agreement does not include a change in the fee structure for Hart-Scott-Rodino fees as proposed in the Senate-reported bill, which would have eliminated the requirement for any direct appropriation for this account.

Gambling Impact Study Commission

salaries and expenses

The conference agreement includes $4,000,000 for the salaries and expenses of the Gambling Impact Study Commission, instead of $2,000,000 as proposed by the Senate. The House bill did not include a provision. This commission was authorized by Public Law 104-169, signed into law on August 3, 1996.

Japan-United States Friendship Commission

japan-united states friendship trust fund

The conference agreement does not provide an appropriation for the Japan-United States Friendship Commission, as proposed in the House bill, instead of $1,250,000 from interest earned on the Japan-United States Friendship Trust Fund and an amount of Japanese currency not to exceed the equivalent of $1,420,000 for the expenses of the Japan-United States Friendship Commission, as provided in the Senate-reported bill.

Under terms of Public Law 94-118, which established the Commission, it was authorized to spend up to five percent of the principal of the Japan-United States Friendship Trust Fund. Since 1990, however, the Commission has operated under a policy of not spending funds out of the principal and relying on appropriations of interest earned on the Fund to finance its operations, supplemented by gifts from outside sources.

The conferees believe that, in this time of fiscal restraint, it makes better sense for the Commission to operate on a self-financing basis, as was apparently envisioned in the original legislation, by spending five percent of its Fund capital per year. The Fund currently contains approximately $15,000,000. These funds, together with funds obtained from outside sources, would allow the Commission to maintain its highest priority activities without the need for annual appropriations. Any interest earnings of the fund that accrue in the Commission's account will be considered to be original principal.

Legal Services Corporation

payment to the legal services corporation

The conference agreement includes $283,000,000 for payment to the Legal Services Corporation instead of $250,000,000 as proposed in the House bill and $288,000,000 as proposed in the Senate-reported bill.

The conference agreement provides $274,400,000 for grants to basic field programs and independent audits, $7,100,000 for management and administration, and $1,500,000 for the Office of the Inspector General.

administrative provisions--legal services corporation

The conference agreement contains language, identical in both the House bill and Senate-reported bill, continuing all statutory requirements and restrictions included in the fiscal year 1996 appropriations Act, with one modification. Section 502 of both bills contains an exception to the restrictions to allow non-Federal funds to be used to provide legal assistance in domestic violence and related matters.

The conference agreement makes several technical changes to correct statutory citations that were incorrectly cited in the House and Senate-reported bills.

Marine Mammal Commission

salaries and expenses

The conference agreement includes $1,189,000 for the salaries and expenses of the Marine Mammal Commission instead of $1,385,000 as proposed in the Senate-reported bill and $975,000 as proposed in the House bill.

National Bankruptcy Review Commission

salaries and expenses

The conference agreement includes $494,000 for the salaries and expenses of the National Bankruptcy Review Commission instead of $498,000, as proposed in the Senate-reported bill, and $490,000, as proposed in the House bill.

Ounce of Prevention Council

The conference agreement includes $1,500,000 for the Ounce of Prevention Council. Neither the House nor Senate-reported bills proposed funding for this program.

Securities and Exchange Commission

salaries and expenses

The conference agreement provides a total operating level of $305,400,000 for the Securities and Exchange Commission, instead of $297,021,000, as proposed in the House bill, and $306,400,000, as proposed in the Senate-reported bill. The conference agreement includes a reduction in registration fees under section 6(b) of the Securities Act of 1933 from fiscal year 1996, to one thirty-third of one percent, as provided in both the House and Senate-reported bills, and a transaction fee on over-the-counter transactions in the amount of one three-hundredth of one percent of the aggregate dollar amount of sales of last sale reported securities, to be collected on a semi-annual basis, starting on January 1, 1997, instead of one eight-hundredth of one percent for each $1,000,000 of the aggregate dollar amount of sales, starting on September 1, 1996 or the date of enactment of this Act, whichever is later, as provided in both the House and Senate-reported bills. These offsetting fees are expected to provide $222,622,000 in fiscal year 1997. In addition, the conference agreement assumes the use of $45,000,000 in carryover funds from fiscal year 1996. These actions result in a net direct appropriation of $37,778,000, instead of $58,047,000, as provided in the House bill, and $64,426,000, as provided in the Senate-reported bill.

Small business Administration

salaries and expenses

The conference agreement provides an appropriation of $235,047,000 for the Small Business Administration (SBA) Salaries and Expenses account, instead of $214,419,000 as proposed in the House bill and $233,190,000 as proposed in the Senate-reported bill. In addition, the conference agreement allows for the collection of $4,500,000 in offsetting fees to offset this appropriation, instead of $6,000,000 in offsetting fee collections proposed in the House bill and $3,300,000 in fee collections proposed in the Senate-reported bill, thus making $239,547,000 available under this account.

In addition to amounts made available under this heading, the conference agreement includes $94,000,000 for administrative expenses under the Business Loans Program Account and $86,500,000 for administrative expenses under the Disaster Loans Program account, and $22,000,000 in emergency fiscal year 1997 funding related to Hurricane Fran and Hurricane Hortense provided in title IX of this bill. These amounts are transferred to and merged with amounts available under Salaries and Expenses, resulting in a total level of $442,047,000 for SBA operating programs, noncredit and other initiatives, instead of $414,482,000 as proposed in the House bill and $408,580,000 as proposed in the Senate-reported bill.

The conference agreement provides that of the amounts available under this account, $1,000,000 is designated only for projects jointly developed, implemented and administered with the Department of Commerce's Minority Business Development Agency, instead of $3,000,000 designated for this purpose in the House bill. The conference agreement provides this funding under the 7(j) technical assistance program under noncredit initiatives. In addition, the conference agreement adopts the recommendations included in the House report regarding this matter. The Senate-reported bill contained no provision on this matter.

The conference agreement includes a provision, not included in either the House bill or the Senate-reported bill, providing two year availability for funds provided for the Small Business Development Center program. Of this amount, $2,000,000 is to continue efforts by the SBDC defense transition programs started in fiscal year 1995.

The conference agreement includes the following amounts for noncredit programs:

Small Business Development Centers	$73,500,000
SBDC Defense Transition	2,000,000
7(j) Technical Assistance	2,600,000
(Joint MBDA/SBA Technical Assistance)	(1,000,000)
SCORE	3,300,000
Business Information Centers	485,000
Women's Demonstration	4,000,000
Women's Council	194,000
EZ/EC One Stop Capital Shops	2,767,000
Microloan Technical Assistance	12,000,000
US Export Assistance Centers	2,500,000
Total	103,346,000

The conference agreement provides no funds for Advocacy Research. However, the conferees would be willing to entertain a reprogramming subject to section 605 of this Act to maintain activities approved in fiscal year 1996.

The conference agreement adopts language included in the House report directing the SBA to continue to support activities assisting small businesses to adapt to a paperless procurement environment, and activities assisting small businesses in complying with the requirements of the Clean Air Act. In addition, the conference agreement expects that SBA will support activities which assist small businesses in making the transition to meet both military and ISO 9000 quality systems requirements. The conferees also expect SBA to support business outreach programs at urban universities referenced in the Senate report.

The conferees have provided $4,000,000 for the Women's Outreach Program. Within these amounts, the conferees expect SBA to follow the direction given in the Senate report with respect to this program.

In June 1996, the Committees approved a reorganization proposal submitted by the SBA as part of its Reinventing Government (REGO) II proposal to downsize its regional offices in order to devote additional resources to the district offices. The conferees are concerned that SBA may be taking actions to reorganize and augment its regional office structure, contrary to the intent of REGO II, and are disturbed that such action is being taken without proper notification to the Committees in accordance with section 605 of this, and prior, appropriations Acts. Therefore, the conferees direct SBA to immediately cease all activities to increase staffing in the regional offices.

In addition, the conferees expect the SBA to follow the direction included in the Senate report concerning filling vital technical and support positions. In addition, the conference agreement includes the following small business initiatives: $3,000,000 for continuation of an outreach program to assist small business development; $7,000,000 for small business and rural technology development assistance, $1,000,000 for construction activities increasing small business opportunities and economic development; and $500,000 for continuation of a program for small business consulting and technical assistance.

Further, the conferees continue to believe the SBA should move forward with a program to consolidate and streamline activities. The conferees believe that SBA can satisfy the increased demands on its programs by greater reliance on centralization of loan processing, servicing, and liquidation activities, and encourage SBA to continue to work with the Committees regarding this matter. In addition, the conferees encourage SBA to explore opportunities for privatization of some functions, such as the disaster loan servicing and liquidation, to help improve management of the portfolio.

In addition, the conferees are supportive of efforts to upgrade SBA's computer systems to improve the financial management of its operations and loan portfolios. Therefore, the conferees urge the SBA to work with the Committees in this endeavor.

office of inspector general

The conference agreement provides $9,000,000 for the SBA Office of Inspector General as proposed in the Senate-reported bill instead of $8,900,000 as proposed in the House bill.

Further, as proposed in both the House bill and the Senate-reported bill, an additional $500,000 has been provided under the administrative expenses of the Disaster Loans Program to be made available to the Office of Inspector General for work associated with oversight of the disaster loans program.

business loans program account

The conference agreement includes $277,708,000 in appropriations under the SBA Business Loans Program Account, instead of $258,153,000 as proposed in the House bill and $309,199,000 as proposed in the Senate-reported bill.

Of the amounts provided under this account, $1,691,000 is for the microloan direct loan program. Both the House bill and the Senate-reported bill provided $2,792,000 for this program. The conference agreement reduces this amount due to the availability of $5,000,000 in unobligated balances carrying forward into fiscal year 1997 for this program.

The conference agreement also designates $40,510,000 of the total amount provided shall be available until September 30, 1998, as provided in both the House bill and the Senate-reported bill.

The conference agreement provides $158,000,000 in subsidy appropriations for the 7(a) general business guaranteed loan program, instead of $144,200,000 as proposed in the House bill and $174,500,000 as proposed in the Senate-reported bill. When combined with prior year carryover balances of $40,500,000 in subsidy appropriations, this amount will subsidize a $7,900,000,000 program level upon enactment of legislative changes under consideration by the Congress, as compared to a $7,200,000,000 program level in fiscal year 1996.

In addition, $21,700,000 is provided for the Small Business Investment Corporation debenture and participating securities programs, instead of $16,459,000 as proposed in the House bill and $35,500,000 as proposed in the Senate-reported bill. Upon enactment of legislative changes under consideration by the Congress, these subsidy amounts will result in a program level of $225,000,000 for the SBIC debenture program and $400,000,000 for the SBIC participating securities program.

Within the total amount provided under this account, the conference agreement provides $2,317,000 for the Microloan guaranty program as proposed in the Senate-reported bill, instead of $1,216,000 included in the House bill. The conferees continue to support the transition of Microloans from a direct loan program to a guaranteed loan program.

In addition, the conference agreement includes $94,000,000 for administrative expenses to carry out the direct and guaranteed loan programs, instead of $93,485,000 proposed in the House bill and $94,090,000 as proposed in the Senate-reported bill. The amount provided for administrative expenses is available to be transferred to and merged with the appropriations for Salaries and Expenses.

disaster loans program account

The conference agreement includes $105,432,000 for subsidy costs associated with the SBA Disaster Loan Program as proposed in the House bill, the same amount that was made available in fiscal year 1996 through a combination of regular and emergency appropriations. The conference agreement provides a $39,632,000 increase above the amounts requested by the Administration and provided in the Senate-reported bill for disaster loan subsidy costs. In addition to amounts made available under this title for disaster assistance, an additional $113,000,000 in emergency fiscal year 1997 funding is included in title IX of the bill to provide disaster loans for individuals and businesses impacted by Hurricanes Fran and Hortense, and other natural disasters.

The conference agreement provides $86,500,000 for administrative expenses under this account, instead of $92,578,000 as proposed by the House and $78,000,000 as proposed in the Senate-reported bill. In addition to amounts made available under this title, an additional $22,000,000 in emergency appropriations is provided in title IX of the bill to provide necessary administrative expenses for SBA disaster loan administrative activities related to Hurricane Fran and Hurricane Hortense.

surety bond guarantees revolving fund

The conference agreement provides $3,730,000 for additional capital for the SBA Surety Bond Guarantees Revolving Fund as proposed in both the House bill and the Senate-reported bill.

administrative provision--small business administration

The conference agreement includes section 504, providing SBA with the authority to transfer funds between appropriations accounts, as provided in the House bill and the Senate-reported bill.

State Justice Institute

salaries and expenses

The conference agreement provides $6,000,000 for the salaries and expenses of the State Justice Institute (SJI) instead of $10,000,000 as proposed by the Senate and instead of no funds as proposed by the House.

The House report directed the Office of Justice Programs

(OJP) to provide a portion of State court assistance funds to SJI under State and Local Law Enforcement Assistance under title I. The Senate-reported bill did not provide funds for State court assistance. The conference agreement does not provide funds to OJP for State court assistance.

TITLE VI--GENERAL PROVISIONS

The conference agreement includes the following general provisions:

Sec. 601.--The conference agreement includes section 601, identical in both the House and Senate-reported versions of the bill, regarding the use of appropriations for publicity or propaganda purposes.

Sec. 602.--The conference agreement includes section 602, identical in both the House and Senate-reported versions of the bill, regarding the availability of appropriations for obligation beyond the current fiscal year.

Sec. 603.--The conference agreement includes section 603, identical in both the House and Senate-reported versions of the bill, regarding the use of funds for consulting services.

Sec. 604.--The conference agreement includes section 604, identical in both the House and Senate-reported versions of the bill, providing that should any provision of the Act be held to be invalid, the remainder of the Act would not be affected.

Sec. 605.--The conference agreement includes section 605, identical in both the House and Senate-reported versions of the bill, establishing the policy by which funding available to the agencies funded under this Act may be reprogrammed for other purposes.

Sec. 606.--The conference agreement includes section 606, identical in both the House and Senate-reported versions of the bill, regarding the construction, repair or modification of National Oceanic and Atmospheric Administration vessels in overseas shipyards.

Sec. 607.--The conference agreement includes section 607 regarding the purchase of American-made products, as provided in both the House and Senate-reported bills.

Sec. 608.--The conference agreement includes section 608 which prohibits funds in the bill from being used to implement, administer, or enforce any guidelines of the equal Employment Opportunity Commission covering harassment based on religion similar to proposed guidelines published by the EEOC in October, 1993, as provided in both the House and Senate-reported bills.

Sec. 609.--The conference agreement repeats language contained in P.L. 104-134 which prohibits use of funds in this Act to expand U.S. diplomatic presence in Vietnam beyond the level in effect on July 11, 1995, unless the President certifies that Vietnam is cooperating in full faith with the United States on POW/MIA issues, as proposed in the House bill. The Senate-reported bill deleted this provision.

Sec. 610.--The conference agreement includes section 610, which repeats language contained in P.L. 104-134, prohibiting the use of funds for any United Nations peacekeeping mission that involves U.S. Armed Forces under the command or operational control of a foreign national, unless the President certifies that the involvement is in the national security interest, as proposed in both the House and the Senate-reported bills.

Sec. 611.--The conference agreement includes section 611 which prohibits the use of funds to provide certain amenities for Federal prisoners as provided for in both the House and Senate-reported bills.

Sec. 612.--The conference agreement includes a modified version of section 612 restricting the use of funds provided under the National Oceanic and Atmospheric Administration Fleet Modernization account, as proposed in the House bill. The Senate-reported bill deleted this provision. The modification permits NOAA to develop long term plans to support its fisheries research requirements.

The conference agreement does not include section 613, as proposed by the House, but deleted by the Senate-reported bill, imposing a limitation on funding for TV Marti when it is made known that such funds would be inconsistent with the March 1995 Office of Cuba Broadcasting Reinventing Plan of the United States Information Agency.

Sec. 613.--The conference agreement includes section 613, which requires agencies and Departments funded in this Act to absorb any necessary costs related to downsizing or consolidations within the amounts provided to the agency or Department. Both the House and the Senate-reported bills included this section as section 614.

Sec. 614.--The conference agreement includes section 614, which prohibits funds made available to the Federal Bureau of Prisons from being used to make available any commercially published information or material to a prisoner when it is made known that such information or material is sexually explicit or features nudity. Both the House and the Senate-reported bills included this section as section 615.

Sec. 615.--The conference agreement includes section 615, which requires a combined ten percent reduction in Community Oriented Policing grants and the Local Law Enforcement Block Grant, to a locality if it is made known that public safety officers in that locality, who retire as a result of injuries sustained in the line of duty do not continue to receive health insurance benefits at the same or better level of benefits as would be paid by the locality under a regular retirement plan. The House bill proposed this provision as section 616. The Senate-reported bill deleted this provision.

The conference agreement does not include a provision included in the House bill as section 617, and deleted in the Senate-reported bill, which would have required a ten percent reduction in funds provided to a State, local or Federal prison, if the facility had not reported to the Attorney General each death of any individual who dies in custody of that prison and the circumstances surrounding the death. The conferees agree that in developing the fiscal year 1997 solicitation for grant applications for the State Corrections Grant program, the conferees direct the Office of Justice Programs to review the feasibility of requiring States to report the name and circumstance of deaths that occur at a municipal or county jail, State or Federal prison, or other similar facility for the confinement of accused or convicted criminals. The conferees further direct the Office of Justice Programs to provide the House and Senate Committees on Appropriations with a report outlining recommendations for the implementation of such a requirement by December 15, 1996.

The conference agreement does not include a provision that was included in the House bill as section 618, which was deleted by the Senate-reported bill, that increased funding for the Equal Employment Opportunity Commission and decreased funding for Small Business Administration Disaster loan program administrative expenses. Funding for these accounts has been addressed in this conference agreement under title V.

Sec. 616.--The conference agreement includes section 616, which includes language not in either the House or Senate-reported bill, that addresses the subject included in the House bill as section 619 and deleted by the Senate-reported bill. The provision included in this conference agreement precludes the filing of civil action for damages or injunctive relief against a medical practitioner licensed by the State to provide the medical activity or related health care entity who performs a medical activity that would otherwise constitute an infringement or inducement to infringe under 35 U.S.C. 271(a) or (b) for patents issued after its enactment.

The term ``medical activity" as defined in subsection 287(c)(2)(A) does not include ``the practice of a patented use of a composition of matter." The term ``patented use of a composition of matter" as used in subsection (c)(2)(A)(ii) is limited by subsection (c)(2)(F). Subsection (c)(2)(F) provides that the term ``patented use of a composition of matter" does not include any claim for performing a medical or surgical procedure on a body that recites the use of the composition of matter where the use of the composition of matter does not directly contribute to the achievement of the objective of the claimed method. A use of a composition of matter as a step in a claim will direct contribute to the achievement of the objective of the claimed method if it is itself novel or if it contributes to or is necessary to establish the non-obviousness of the claim as a whole.

For a method claim in which each of the method steps recites a ``use of a composition of matter" the claim cannot represent a ``medical activity" because the use of a composition of matter must necessarily contribute to the novelty--and, therefore, to the objective--of the claimed method. ``Uses of compositions of matter" include, without limitation, novel uses of drugs, novel uses of chemical or biological reagents for diagnostic purposes, novel methods for scheduling or timing administration of drugs, novel methods for combining drug therapies, and novel methods for providing genetic or other biological materials to a patient (including gene therapies.) A particular example would be a claim that recites only the novel use of a drug for the treatment of diabetes that involves the administration of a drug at a particular time of day and/or at a specified dose and/or with a specified concomitant medicinal therapy could not be construed as a ``medical activity."

For a ``hybrid" claim, ie., a claim with at least one step that recites the use of a composition of matter and at least one step that is not directed to the use of a composition of matter (e.g., a surgical step), the test established by subsection (c)(2)(F) must be applied to determine whether the claim as a whole is exempted from the definition of a ``medical activity" because it is a patented use of a composition of matter. The first step in this test is to determine the objective of the claimed method taking into account all of the process steps set forth in the claim. The second part of this test is to determine whether the steps involving the use of one or more compositions of matter either alone or in combination contribute directly to the achievement of the objective of the claimed method. It is interested that this part of the test will have been met if the uses of the compositions of matter, either individually or collectively, represents novel subject matter, or if one or more of these steps contributes to or are necessary to establish the non-obviousness of the claim as a whole. Thus, even where the steps involving uses of one or more compositions of matter are not novel individually or in combination with each other, these uses may still directly contribute to the achievement of the objective of the claimed method if, in combination with the steps that involve collectively obvious medical or surgical techniques, they produce a novel and non-obvious method.

As an example, in the case of a surgical method for transplanting a healthy heart into a patient with a diseased heart, the inclusion of the step administering a conventional anaesthetic in a claim reciting a novel and non-obvious surgical transplantation procedure would not cause the surgical procedure to be treated as a patented use of a composition of matter within the meaning of subsection (c)(2)(A)(ii). Therefore, assuming none of the other exceptions in subsection (c)(2)(A) apply, the claimed surgical method would necessarily qualify as a medical activity. In contrast, where the administration of the anaesthesia was accomplished, for example, using a novel anaesthetic or a novel dosing schedule, the objective of the claimed method would include the provision of a novel use of an anaesthetic in transplantation surgery and the use of the composition of matter (ie., the anaesthetic) would directly contribute to the achievement of the objective.

It is intended that the applicability of the exception in (c)(2)(A)(ii) for a patented use of a composition of matter can usually be decided by a motion to dismiss or summary judgment under Rule 12(b) or Rule 56, respectively, of the Federal Rules of Civil Procedure. For example, an accused infringer seeking to invoke the relief from remedies afforded under 287(c)(1) would ordinarily prevail under such a motion if the following conditions are met: (1) the movant shows by clear and convincing evidence that the recited uses of the compositions of matter, both individually and collectively, lack novelty, and (2) the movant also shows by a preponderance of the evidence that the steps of the claimed method that do not involve uses of compositions of matter (ie., the medical or surgical procedure steps) are, by themselves, novel and non-obvious, provided, however, that the movant may concede the non-obviousness in lieu of making the required evidentiary showing.

Paragraph (c)(2)(A)(iii) excludes from the definition of ``medical activity'' the practice of a patented process in violation of a biotechnology patent. For the purposes of this provision, the definition of the term ``biotechnology patent'' includes a patent on a ``biotechnological process'' as defined in 35 U.S.C. Sec. 103(b), as well as a patent on a process of making or using biological materials, including treatment using those materials, where those materials have been manipulated ex vivo at the cellular or molecular level.

Biological materials which may be manipulated ex vivo at the cellular or molecular level include a variety of cellular, intracellular, extracellular, and acellular substances. Cellular substances include (but are not limited to) cultured microbial and mammalian cells. Intracellular substances include (but are not limited to) genetic materials, such as DNA and RNA that is obtained from within the cell. Extracellular substances include (but are not limited to) proteins and other molecules that are secreted or excreted by cells. Acellular substances include (but are not limited to) viruses and other vectors for transmitting genetic material.

Ex vivo manipulation includes propagation, expansion, selection, purification, pharmaceutical treatment, or alteration of the biological characteristics of these substances outside of a human body.

This definition excluded medical procedures which do not involve ex vivo cellular or molecular manipulation of a biological material. For example, a patent on a method of performing heart transplantation surgery, including the use of a heart-lung machine, is excluded from this definition on two grounds: first, the method involves manipulation in vivo, not ex vivo, and second, the method does not manipulate the cellular or molecular characteristics of the heart.

The House bill included a provision which prohibited funds from being used by the Patent and Trademark Office to issue patents for surgical and medical procedures and diagnoses, with certain exceptions for medical and biomedical devices and processes.

Sec. 617.--The conference agreement includes section 617, which eliminates current reprogramming requirements which are redundant with section 605 of this Act. The Senate-reported bill included this provision as section 620. The House bill contained no similar provision.

Sec. 618.--The conference agreement includes section 618, which permits the Secretary of Transportation to issue a guarantee under title XI of the Merchant Marine Act, 1936, upon such terms as the Secretary may prescribe, to assist in the reactivation and modernization of currently closed shipyards that historically built military vessels if the State in which it is located is making a significant financial investment and is paying the credit subsidy cost of the guarantee. The provision requires the Secretary to impose such conditions as are necessary to protect the interests of the United States from the risk of a default. Total guarantees under this section are not to exceed $50,000,000, and no commitment to guarantee obligations under this provision may be issued more than one year from the date of enactment of this section. The Senate-reported bill contained a provision under section 622 that provided authority to make these guarantees, but did not require State contributions or require the imposition of any conditions relating to the risk of default. The House bill did not contain any provision on this matter.

TITLE VII--RESCISSIONS

DEPARTMENT OF JUSTICE

General Administration

Working Capital fund

(rescission)

The conference agreement includes a rescission of $30,000,000 from unobligated balances under this heading, as proposed in the Senate-reported bill. The House bill did not include a rescission from this account.

Immigration and Naturalization Service

immigration emergency fund

(rescission)

The conference agreement includes a rescission of $34,779,000 from unobligated balances under this heading, as proposed in the Senate-reported bill. The House bill did not include a rescission from this account.

TITLE VIII--FISCAL YEAR 1996 SUPPLEMENTAL AND RESCISSION

DEPARTMENT OF JUSTICE

Federal Prison System

salaries and expenses

The conference agreement includes a $40,000,000 supplemental appropriation for fiscal year 1996 for the Federal

Prison System and makes these funds available until September 30, 1997, in order to allow total carryover funding for this account to be $90,000,000. This provision was not included in the House and Senate-reported bills, but is necessary for technical reasons to ensure that adequate funds are available for prison activations which were scheduled for 1996, but have been delayed until 1997.

(rescission)

The conference agreement includes a rescission of $40,000,000 from funds appropriated in fiscal year 1996 for the Federal Prison System. Neither the House nor the Senate-reported bills included this rescission. Funding is available for rescission as a result of delayed activations of prisons scheduled to open in fiscal year 1996. This provision, in conjunction with the previous provision, is necessary to ensure that additional resources may carry forward from fiscal year 1996 to fiscal year 1997 to support ongoing prison system operations.

TITLE IX--FISCAL YEAR 1997 DISASTER ASSISTANCE

DEPARTMENT OF COMMERCE

Economic Development Administration

economic development assistance programs

The conference agreement includes $25,000,000 in emergency fiscal year 1997 funding for infrastructure expenses related to recovery efforts associated with Hurricanes Fran and Hortense and other natural disasters, instead of $18,000,000 requested as a fiscal year 1996 emergency supplemental appropriation. Amounts provided under this account are designated as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RELATED AGENCY

Small Business Administration

disaster loans program account

In addition to amounts provided under title V of the bill, the conference agreement provides an additional $113,000,000 in emergency fiscal year 1997 subsidy appropriations for disaster loans for recovery efforts related to Hurricanes Fran and Hortense, and other natural disasters.

In addition to amounts provided under title V of the bill, the conference agreement includes an additional $22,000,000 in emergency fiscal year 1997 funding for administrative expenses necessary to carry out the disaster loan program for Hurricanes Fran and Hortense and other natural disasters, instead of $22,000,000 requested as a fiscal year 1996 emergency supplemental appropriation. Amounts provided under this account are designated as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

section 101(b)

Department of Defense Appropriations Act, 1997

The conference agreement on the Department of Defense Appropriations Act, 1997, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 104-617 and Senate Report 104-286 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

definition of program, project, and activity

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1997, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the mangers of the Committee of Conference, the related classified annexes and reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term ``program, project, and activity'' is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits his budget for fiscal year 1998, the conferees direct the Department of Defense to transmit to the congressional defense committees a budget justification document to be known as the ``O-1'' which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 1998.

TITLE I--MILITARY PERSONNEL

The conferees agree to the following amounts and end strength totals for the Military Personnel accounts as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Active personnel:				
Army	20,580,738	20,692,838	20,559,042	20,633,998
Navy	16,942,956	17,000,856	16,943,581	16,986,976
Marine Corps	6,102,108	6,103,808	6,099,182	6,111,728
Air Force	17,043,150	17,099,550	17,021,810	17,069,490
Reserve personnel:				
Army	2,043,679	2,083,379	2,052,136	2,073,479
Navy	1,386,306	1,392,406	1,396,989	1,405,606
Marine Corps	381,143	387,943	389,325	388,643
Air Force	775,967	780,497	785,842	783,697
National Guard personnel:				
Army	3,242,493	3,279,393	3,259,169	3,266,393
Air Force	1,284,290	1,294,490	1,295,511	1,296,490
Total, Military Personnel	69,782,830	70,115,160	69,802,587	70,016,500

force structure changes

The fiscal year 1997 budget request included reductions in the size of Primary Aircraft Authorized (PAA) levels for Air Force B-52's, and Air National Guard C-130's and General Purpose fighter units. In addition, the budget reduced the number of both active and reserve P-3 squadrons. The conferees have recommended a total of $163,600,000 to maintain these units at the fiscal year 1996 levels as follows:

[In thousands of dollars]

	Milpers	O&M	Proc	Total

Navy, P-3's	22,100	16,100	....	38,200
Air Force, B-52's	4,400	47,900	11,500	63,800
ANG, C-130's	2,000	6,700	....	8,700
ANG, General Purpose Fighters	8,500	44,400	....	52,900
Total	37,000	115,100	11,500	163,600

housing allowances

The conferees agree to provide $58,230,000, for a 4.6 percent increase in the Basic Allowance for Quarters (BAQ), to be effective January 1, 1997, and $35,000,000 for an increase to the Variable Housing Allowance (VHA) to help offset the cost to service members who live in high cost geographical areas.

dental incentive pay

The conferees recommend an increase of $11,100,000 for special pays and allowances to retain dental officers serving in the military services.

board certification pay

The conferees encourage the Department to expand board certification pay to all board certified medical department personnel, including nurses and veterinarians, who are involved in the health and well being of our service members and their families.

permanent change of station costs

The conferees are concerned that the Department of Defense is expending excessive amounts each year for permanent change of station (PCS) travel. Accordingly, the conferees direct the Department to reduce the level of funds budgeted for PCS moves in the fiscal year 1998 budget submission by three percent. Further, the conferees recommend a reduction of two percent to the fiscal year 1997 military personnel appropriations accounts.

ACTIVE END STRENGTH
[Fiscal year 1997]

	Budget	Conference	Conference vs. Budget
Army	495,000	495,000	....
Navy	406,900	407,266	+366
Marine Corps	174,000	174,000	....
Air Force	381,100	381,100	....
Total, Active Personnel	1,457,000	1,457,366	+366

Military Personnel, Army

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	17,300	10,784	17,300
Variable Housing Allowance	5,900	....	7,200
Dislocation Allowance	15,500	....	14,300
Temporary Lodging Expense	12,000	....	....
Permanent Change of Station	....	-41,280	-20,640
Dental Incentive Pay	5,000	2,400	3,700
Special Duty Assignment Pay	6,400	6,400	6,400
Manpower Shortfalls	50,000	....	25,000
Total, Military Personnel, Army	112,100	-21,696	53,260

Military Personnel, Navy

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	15,400	9,885	15,400
Variable Housing Allowance	15,200	....	14,100
Dislocation Allowance	10,900	....	7,200
Temporary Lodging Expense	4,400	....	....
Permanent Change of Station	....	-23,760	-11,880
Dental Incentive Pay	5,000	3,900	3,700
P-3 Squadron	7,000	10,600	15,500
Total, Military Personnel, Navy	57,900	625	44,020

Military Personnel, Marine Corps

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	4,500	2,834	4,500
Variable Housing Allowance	10,600	....	3,300

Dislocation Allowance	3,900	....	3,000
Temporary Lodging Expense	3,100	....	....
Permanent Change of Station	....	-9,160	-4,580
Embassy Support	-20,400	....	....
Selective Reenlistment Bonus	....	3,400	3,400
Total, Military Personnel, Marine Corps	1,700	-2,926	9,620

Marine Security Guards

The conference agreement fully funds the amounts requested in the budget for the Marine Security Guard program. The Marine Corps has traditionally provided security support at United States Embassies and other overseas diplomatic posts, and the personnel and support costs of these operations have been shared jointly between the Departments of Defense and State. This year's budget submission proposed changing this relationship, with the Department of Defense bearing nearly all the costs of this program.

The conferees are concerned that this decision, along with proposals to increase the scope of overseas Marine Corps diplomatic security support, has been made without sufficient regard to recurring funding shortfalls in the Marine Corps budget as well as manpower constraints stemming from the high tempo of personnel moves and operations. The conferees believe the Departments of Defense and State, along with the Marine Corps, should work together to rationalize the overall requirements stemming from the Marine Security Program in order to strike an appropriate balance between providing essential security support for overseas diplomatic operations and the Marine Corps' military missions. The conferees believe Marine Corps support for our overseas diplomatic efforts should not come at the expense of combat readiness and fully expect future budget submissions to adequately resource both activities.

Military Personnel, Air Force

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	14,700	9,280	14,700
Variable Housing Allowance	11,500	....	7,600
Dislocation Allowance	18,600	....	12,400
Temporary Lodging Expense	4,000	....	....
Permanent Change of Station	....	-32,920	-16,460
Dental Incentive Pay	5,000	2,300	3,700
Reliability Testing	2,600	....	....
B-52 Force Structure	....	....	4,400

Total, Military Personnel, Air Force	56,400	-21,340	26,340

National Guard and Reserve Forces

The conferees agree to provide $9,214,308,000 in Reserve personnel appropriations, $8,582,539,000 in Operation and maintenance appropriations, and $780,000,000 in the National Guard and Reserve Equipment appropriation. These funds support a Selected Reserve strength as shown below.

RESERVE STRENGTHS
[Fiscal year 1997]

	Budget	Conference	Conference vs. Budget
Selected Reserve:			
Army Reserve	214,925	215,179	+254
Navy Reserve	95,941	96,304	+363
Marine Corps Reserve	42,000	42,000	....
Air Force Reserve	73,281	73,377	+96
Army National Guard	366,758	366,758	....
Air National Guard	108,018	109,178	+1,160
Total	900,923	902,796	+1,873
AGR/TARS:			
Army Reserve	11,550	11,804	+254
Navy Reserve	16,506	16,626	+120
Marine Corps Reserve	2,559	2,559	....
Air Force Reserve	625	625	....
Army National Guard	23,040	23,040	....
Air National Guard	10,129	10,403	+274
Total	64,409	65,057	+648
Technicians:			
Army Reserve	6,799	6,799	....
Air Force Reserve	9,704	9,704	....
Army National Guard	25,500	25,500	....
Air National Guard	22,881	23,274	+393
Total	64,884	65,277	+393

Reserve Personnel, Army

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Unit Readiness/Training	30,000	....	20,000
Basic Allowance for Quarters	700	457	700
Variable Housing Allowance	400	....	500
Dislocation Allowance	600	....	600
Full Time Support/AGR's	8,000	8,000	8,000
Total, Reserve Personnel, Army	39,700	8,457	29,800

Reserve Personnel, Navy

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	1,100	683	1,100
Variable Housing Allowance	1,300	....	700
Dislocation Allowance	600	....	900
Temporary Lodging Expense	100	....	....
P-3 Squadron	3,000	....	6,600
Contributory Support	....	10,000	10,000
Total, Reserve Personnel, Navy	6,100	10,683	19,300

Reserve Personnel, Marine Corps

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Annual Training/School Tours	6,000	....	3,000
Basic Allowance for Quarters	300	182	300
Variable Housing Allowance	400	....	100
Dislocation Allowance	100	....	100
Active Duty Special Work	....	8,000	4,000
Total, Reserve Personnel, Marine Corps	6,800	8,182	7,500

Reserve Personnel, Air Force

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
BRAC Closure	4,000	9,000	6,500
Basic Allowance for Quarters	430	275	430
Variable Housing Allowance	100	....	100
Dislocation Allowance	....	....	100
Family Support Centers	....	600	600
Total, Reserve Personnel, Air Force	4,530	9,875	7,730

National Guard Personnel, Army

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
School/Special Training	31,000	15,000	20,000
Basic Allowance for Quarters	2,700	1,676	2,700
Variable Housing Allowance	800	....	900
Dislocation Allowance	2,400	....	300
Total, National Guard Personnel, Army	36,900	16,676	23,900

National Guard Personnel, Air Force

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	House	Senate	Conference
Basic Allowance for Quarters	1,100	721	1,100
Variable Housing Allowance	600	....	500
C-130 Force Structure	....	2,000	2,000
Dislocation Allowance	....	....	100
Fighter Force Structure	8,500	8,500	8,500
Total, National Guard Personnel, Air Force	10,200	11,221	12,200

TITLE II--OPERATION AND MAINTENANCE

A summary of the conference agreement on the items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
285 RECAPITULATION				
285O&M. ARMY	18,031,145	18,365,679	17,700,859	17,519,340
28600 TRANSFER--STOCKPILE	(83,334)	(50,000)	(50,000)	(50,000)
286O&M. NAVY	20,112,864	20,390,397	20,241,517	20,061,961
28700 TRANSFER--STOCKPILE	(83,333)	(50,000)	(50,000)	(50,000)
287O&M. MARINE CORPS	2,203,777	2,465,077	2,275,977	2,254,119
288O&M. AIR FORCE	17,830,122	17,938,755	17,331,309	17,263,193
28850 TRANSFER--STOCKPILE	(83,333)	(50,000)	(50,000)	(50,000)
289O&M. DEFENSEWIDE	10,156,468	10,212,985	9,953,142	10,044,200
290O&M. ARMY RESERVE	1,084,436	1,116,436	1,129,436	1,119,436
290O&M. NAVY RESERVE	843,927	882,927	861,527	886,027
291O&M. MARINE CORPS RESERVE	99,667	108,467	115,367	109,667
291O&M. AIR FORCE RESERVE	1,488,553	1,491,553	1,494,953	1,496,553
292O&M. ARMY NATIONAL GUARD	2,208,477	2,268,477	2,294,477	2,254,477
292O&M. AIR NATIONAL GUARD	2,654,473	2,671,373	2,721,973	2,716,379
292UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES	6,797	6,797	6,185	6,797
293ENVIRONMENTAL RESTORATION, ARMY	356,916	....	356,916	339,109
293ENVIRONMENTAL RESTORATION, NAVY	302,900	....	302,900	287,788
294ENVIRONMENTAL RESTORATION, AIR FORCE	414,700	....	414,700	394,010
294ENVIRONMENTAL RESTORATION, DEFENSE-	258,500	....	38,650	36,722

WIDE

294ENVIRONMENTAL RESTORATION, FORMERLY ....
269,850 256,387
USED DEFENSE SITES

295ENVIRONMENTAL RESTORATION, DEFENSE .... 1,333,016 .
....

295FORMER SOVIET UNION THREAT 327,900 302,900
327,900 327,900
REDUCTION

296OVERSEAS HUMANITARIAN, DISASTER, 80,544 60,544
49,000 49,000
AND CIVIC AID

297QUALITY OF LIFE ENHANCEMENTS, ... 975,000 .
.... 600,000
DEFENSE

297OVERSEAS CONTINGENCY OPERATIONS ....
1,069,957 1,140,157
TRANSFER FUND

298REDUCTION OF FUNDS .... -35,000 .
....

29850 GRAND TOTAL, O&M. 78,462,166 80,555,383
78,956,595 79,163,222

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antiterrorism issues

The conferees support DoD efforts to prevent terrorist attacks on US Government personnel overseas and believe that adoption of recommendations contained in the Antiterrorism Task Force Report is a good first step toward improving the security of US Government personnel worldwide. In order to establish a more effective program, the conferees direct the Secretary of Defense, in conjunction with the Secretary of State, to conduct security audits of facilities overseas to ensure that all possible action is being taken, and enforced, to protect US Government personnel against terrorist attacks. These audits should include, but not be limited to, physical and operational security measures; crisis planning; special security measures at nonpermanent facilities; cooperative security measures with host nations; education and training of personnel, and communications security. The results of these audits, and accompanying recommendations, should be provided to the congressional defense committees not later than March 15, 1997.

dod travel reengineering

The conferees are aware of the DoD efforts to reengineer the travel process and fully support those objectives. The Department is commended for taking on this effort given the significance of the potential savings. The conferees are aware that many issues have not been resolved regarding the acquisition strategy and how it will be implemented. Given these circumstances, the conferees believe that DoD should provide industry sources with another opportunity to comment on any revised strategy in order to ensure that industry ``best practices'' will be employed. The conferees are also concerned about the Department's continued award of contracts under the old travel system. A tremendous amount of time and expense is incurred by the government and all vendors on these new contracts. Inasmuch as DoD intends to recast the entire travel system, the justification for the Department to award new five year contracts under the old travel system is considered inappropriate. Consequently, the conferees urge the Department to consider placing a moratorium on awarding any new contracts until the new travel system is defined and can be implemented.

chemical-biological equipment

The conferees direct the Secretary of Defense to provide the congressional defense committees with a report on the actual and projected status of execution of funds appropriated to each of the services in support of chemical-biological protective training and equipment for fiscal years 1996 and 1997, not later than March 1, 1997.

ustranscom efficiencies

The conferees are aware that the effort to consolidate responsibilities and assets under the charter of USTRANSCOM is a continuing evolution and are encouraged by the potential for a more streamlined and efficient logistics support system for the Department of Defense. The Department is strongly discouraged from redistributing these reductions to the individual service accounts without simultaneously directing a rebate or reduction to the customer rates charged by USTRANSCOM, thereby defeating any effort to capture savings resulting from these consolidation efforts, and the conferees will continue to monitor the progress of this endeavor.

vietnamese commandos

The Conferees urge the Department of Defense to make available up to $20,000,000 for payments to Vietnamese commandos captured and incarcerated by North Vietnam pursuant to operations under a Vietnam ear operation plan known as OPLAN 34A or its predecessor, and to Vietnamese operatives captured and incarcerated by North Vietnamese forces pursuant to OPLAN 35 who remained in captivity after 1973, and who have not received payment from the United States for the period spent in captivity.

environmental compliance

The conferees are aware of the Department's requirement for funding within the environmental compliance accounts, and are concerned with the amount of training and administrative travel within these accounts. Therefore, the conferees direct that each of the services reduce by $5,000,000 the training and administrative travel within the environmental compliance program.

reengineering of Personal Property Program

The conferees recognize the urgency of improving the Department of Defense personal property relocation program, and do not object to the conduct of a pilot program in order to validate this concept. The conferees commend the Department for including industry representatives in the development of the pilot program.

The conferees believe there are still several significant concerns that should be addressed in the final pilot proposal, and encourage the Department to continue their work with the industry representatives to resolve these outstanding issues concerning the structure of the pilot program.

The conferees understand the proposed pilot program involves outbound household goods from a three state region, and direct that this outbound portion of the pilot program not be expanded beyond this area during fiscal years 1997 and 1998. The conferees direct that before the Department proposes further expansion of this program, or any other household goods relocation pilot program, the General Accounting Office (GAO) should review data collected during fiscal year 1997, and validate the results and savings achieved by such pilot programs.

Operation and Maintenance, Army

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
1 OPERATION AND MAINTENANCE, ARMY				
1 BUDGET ACTIVITY 1: OPERATING FORCES				

2 LAND FORCES				
2COMBAT UNITS	1,785,131	1,785,131	1,785,131	1,785,131
2CONTINGENCY OPERATIONS TRANSFER	---	---	-378,657	-382,857
3TACTICAL SUPPORT	1,144,383	1,144,383	1,144,383	1,144,383
3HUNTER UAV	---	---	12,000	12,000
3THEATER DEFENSE FORCES	150,569	150,569	150,569	150,569
4FORCE RELATED TRAINING/SPECIAL ACTIVITIES	1,410,908	1,468,008	1,410,908	1,453,908
4FORCE COMMUNICATIONS	65,150	65,150	65,150	65,150
5DEPOT MAINTENANCE	845,251	894,951	845,251	879,951
5SPARES AND REPAIR PARTS	---	---	-30,000	-60,000
5DEPOT MAINTENANCE RMS PROGRAM	---	---	20,000	---
5CH-47 HELICOPTER ENGINE UPGRADE SUPPORT	---	---	4,600	4,600
5JCS EXERCISES	55,087	55,087	55,087	55,087
6BASE SUPPORT	2,686,320	2,689,320	2,731,720	2,719,912
6MAINTENANCE OF REAL PROPERTY	835,451	835,451	904,051	835,451
7 LAND OPERATIONS SUPPORT				
7COMBAT DEVELOPMENTS	206,538	206,538	206,538	206,538
8UNIFIED COMMANDS	63,769	63,769	63,769	63,769
850 TOTAL, BUDGET ACTIVITY 1	9,248,557	9,358,357	8,990,500	8,933,592
9 BUDGET ACTIVITY 2: MOBILIZATION				
9 MOBILITY OPERATIONS				
10POMCUS	82,303	82,303	82,303	82,303
10STRATEGIC MOBILIZATION	287,934	314,934		

			314,934	314,934
11WAR RESERVE ACTIVITIES	150,971	150,971	150,971	150,971
11INDUSTRIAL PREPAREDNESS	65,235	65,235	65,235	65,235
1200 TOTAL, BUDGET ACTIVITY 2	586,443	613,443	613,443	613,443
12 BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
13ACCESSION TRAINING				
13OFFICER ACQUISITION	61,442	61,442	61,442	61,442
14RECRUIT TRAINING	13,131	13,131	13,131	13,131
14ONE STATION UNIT TRAINING	16,679	16,679	16,679	16,679
15RESERVE OFFICER TRAINING CORPS (ROTC)	120,634	120,634	120,634	120,634
15BASE SUPPORT (ACADEMY ONLY)	81,493	81,493	82,893	82,234
16MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	40,821	40,821	40,821	40,821
16 BASIC SKILL/ADVANCE TRAINING				
17 SPECIALIZED SKILL TRAINING	242,298	240,498	242,298	240,498
17FLIGHT TRAINING	225,460	214,160	225,460	214,160
18PROFESSIONAL DEVELOPMENT EDUCATION	68,478	68,478	68,478	68,478
18TRAINING SUPPORT	405,222	403,322	405,222	401,822
19BASE SUPPORT (OTHER TRAINING)	898,954	898,954	913,654	906,742
19MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	274,999	274,999	297,599	274,999
20 RECRUITING/OTHER TRAINING				
20RECRUITING AND ADVERTISING	228,234	228,234	232,234	232,234
21EXAMINING	72,125	72,125		

72,125 72,125
21OFF-DUTY AND VOLUNTARY EDUCATION 101,970 101,970
101,970 101,970
22CIVILIAN EDUCATION AND TRAINING 83,296 80,296
83,296 80,296
22JUNIOR ROTC 76,640 76,640
76,640 76,640
23BASE SUPPORT (RECRUITING LEASES) 158,064 158,064
158,064 158,064

2350 TOTAL, BUDGET ACTIVITY 3 3,169,940 3,151,940
3,212,640 3,162,969
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24 BUDGET ACTIVITY 4: ADMIN &

SERVICEWIDE ACTIVITIES

24 SECURITY PROGRAMS

25SECURITY PROGRAMS 364,270 352,770
364,270 352,770
25 LOGISTICS OPERATIONS

26SERVICEWIDE TRANSPORTATION 515,541 515,541
515,541 515,541
26CENTRAL SUPPLY ACTIVITIES 398,003 414,203
398,003 429,203
27LOGISTIC SUPPORT ACTIVITIES 308,497 303,697
358,497 302,697
27AMMUNITION MANAGEMENT 257,812 307,812
297,812 277,812
28 SERVICEWIDE SUPPORT

28ADMINISTRATION 309,075 309,075
309,075 309,075
29SERVICEWIDE COMMUNICATIONS 689,100 689,100
689,100 689,100
29POWER PROJECTION C4I ....
20,000 15,000
29MANPOWER MANAGEMENT 158,424 158,424
158,424 158,424
30OTHER PERSONNEL SUPPORT 171,661 171,661
171,661 171,661
30OTHER SERVICE SUPPORT 596,539 596,539
600,439 600,439
31ARMY CLAIMS ACTIVITIES 175,881 175,881
175,881 175,881
31REAL ESTATE MANAGEMENT 79,628 79,628
79,628 79,628
32BASE SUPPORT 666,216 666,216
676,716 671,776
32PENTAGON RESERVATION FUND TRANSFER ....

-59,100 -59,100
32MAINTENANCE OF REAL PROPERTY 106,065 106,065
114,865 106,065
33 SUPPORT OF OTHER NATIONS

33INTERNATIONAL MILITARY HEADQUARTERS 273,924 273,924
267,861 267,861
34MISC SUPPORT OF OTHER NATIONS 38,903 38,903
38,903 38,903

3450 TOTAL, BUDGET ACTIVITY 4 5,109,539 5,159,439
5,177,576 5,102,736
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35CLASSIFIED PROGRAMS UNDISTRIBUTED .... 6,600 .
.... 7,800
36CIVILIAN PERSONNEL UNDERSTRENGTH .... -19,000
-133,000 -19,000
37GENERAL REDUCTION, NATIONAL DEFENSE -83,334 -50,000
-50,000 -50,000
STOCKPILE FUND

37GENERAL REDUCTION, NATL DEFENSE ....
.... -10,000
STOCKPILE FUND/OTHER

37FOREIGN CURRENCY FLUCTUATION ....
.... -69,000
38PRINTING EFFICIENCIES .... -3,000 .
.... -3,000
41ACQUISITION WORKFORCE REDUCTION .... -14,000 .
.... -14,000
41FUEL TAX CREDIT .... -13,800
-13,800 -13,800
42USTRANSCOM EFFICIENCIES .... -37,000
-33,000 -37,000
42OSA FLYING HOUR REDUCTION .... -20,000 .
.... -5,000
42CHEMICAL-BIOLOGICAL EQUIP MAINT .... 13,200 .
.... 10,200
SUPPORT

42REAL PROPERTY MAINTENANCE .... 155,000 .
....
42NON-LETHAL WEAPONS ....
2,000 ....
43FORSCOM UNDEREXECUTION 2,000
-5,100 -5,100
43MWR OVERHEAD ....
-1,500 -1,500
43INFORMATION RESOURCE MANAGEMENT .... 32,500 .
.... -50,000
43BASE OPERATIONS SHORTFALL .... 30,000 .

....
43DBOF PASSTHROUGH ....
-58,900 -29,000
43ENVIRONMENTAL COMPLIANCE ....
.... -5,000

4350 TOTAL, OPERATION AND 18,031,145 18,365,679
17,700,859 17,519,340
MAINTENANCE, ARMY

4400 TRANSFER (83,334) (50,000)
(50,000) (50,000)
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4450 TOTAL FUNDING AVAILABLE (18,114,479) (18,415,679)
(17,750,859) (17,569,340)

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adjustments to budget activities

Adjustments to the budget activities are as follows:

Budget Activity 1: Operating Forces:of dollars]
255 Contingency Operations Transfer...................... -382,857
305 Hunter UAV... 12,000
400 Soldier Enhancement/Initial Issue.................... 43,000
500 Depot Maintenance RMS Program........................ 20,000
500 Depot Maintenance-Vehicle Backlog.................... 14,700
505 Spares-Spare and Repair Parts........................ -60,000
515 CH-47 Helicopter Engine Upgrade Support............. 4,600
600 Base Operations Support............................. 22,992
600 BOS-McGregor Range EIS.............................. 7,100
600 BOS-UXO Cleanup Ft. Bliss........................... 1,000
600 JRTC/Ft. Polk....................................... 500
600 Rotational Airhead.................................. 2,000
Budget Activity 2: Mobilization:
1050 Strategic Mobility-Movement of Prepositioned Stocks. 27,000
Budget Activity 3: Training and Recruiting:
1550 Base Operations Support............................ 741
1700 Specialized Skill Training......................... -1,800
1750 Flight Training................................... -11,300
1850 TNET.. 3,500
1850 Training Support.................................. -6,900
1900 Base Operations Support............................ 7,788
2050 Recruiting and Advertising......................... 4,000
2200 Civilian Education & Training...................... -3,000
Budget Activity 4: Administration and Servicewide
Activities:
2500 Security Programs................................. -11,500
2650 Acquisition Workforce Reduction.................... -8,800
2650 End Item Management................................ 40,000
2700 Acquisition Workforce Reduction.................... -8,800

2700	Depot Maintenance Logistics Tail	3,000
2750	Ammunition Management	20,000
2905	Power Projection C4I	15,000
3050	Conservation and Ecosystem Management Program	3,000
3050	Life Science Equipment Lab	550
3050	Waste Water Treatment Planning	350
3200	Base Operations Support	5,560
3205	Pentagon Reservation Fund Transfer	-59,100
3350	NATO Headquarters Reduction	-6,063
Undistributed:		
3550	Classified (Undistributed)	7,800
3600	Civilian Personnel Underexecution	-19,000
3700	DNSC Transfer	33,334
3710	National Defense Stockpile Fund/Other	-10,000
3750	Foreign Currency Fluctuation	-69,000
3850	Printing Efficiencies	-3,000
4180	Acquisition Workforce Reduction	-14,000
4190	Fuel Tax Credit	-13,800
4200	USTRANSCOM Efficiencies	-37,000
4210	OSA Flying Hour Reduction	-5,000
4260	Chem-Bio Equipment Support	10,200
4320	FORSCOM Underexecution	-5,100
4322	MWR Overhead	-1,500
4325	Information Resource Management	-50,000
4337	DBOF Passthrough	-29,000
4340	Environmental Compliance Reduction	-5,000

hunter uav

Until the Tactical Unmanned Aerial Vehicle (TUAV) is fielded in the fiscal year 1998 or 1999 time frame, the Hunter UAV is the only system available for tactical warfighters. The Army has several additional Hunter systems but these are currently in storage. These systems have already been procured and are currently consuming resources without providing any return. These assets could contribute by providing warfighters the opportunity to refine doctrine, gain tactical experience, fulfill contingency requirements, and work on critical issues such as airspace management and command and control. Therefore, the conferees agree to provide $12,000,000 to remove three Hunter systems from storage to provide a capability to further develop UAV concepts of operation. The conferees' action is not to be interpreted as authority to upgrade or further develop the Hunter UAV system.

memorial events

The conference agreement includes language suggested by the Department of Defense clarifying the Army's authority to continue its practice of supporting several national patriotic events. The conferees expect that funds will be made available pursuant to this provision, in addition to the budgeted amount, for operational expenses necessary for the successful conduct of national memorial and patriotic events.

parachute maintenance and repair

Of the funds provided under this heading, the conferees direct that $2,000,000 be made available for the purpose of contracting out the workload as necessary to reduce the backlog of maintenance and repair work on cargo and personnel parachutes at Fort Bragg.

cement production

In response to a recommendation by the US Army Corps of Engineers following a preliminary review of burning hazardous waste in cement kilns, the conferees believe that the Waterways Experiment Station of the US Army Corps of Engineers should use $200,000 of existing funds for a study to research the long term durability and quality of cement produced by using hazardous waste materials as fuels.

Operation and Maintenance, Navy

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
45 OPERATION AND MAINTENANCE, NAVY				
45 BUDGET ACTIVITY 1: OPERATING FORCES				
46 AIR OPERATIONS				
46MISSION AND OTHER FLIGHT OPERATIONS	1,867,999	1,867,999	1,867,999	1,867,999
46P-3 SQUADRON	....	....	10,600	10,600
47FLEET AIR TRAINING	606,264	606,264	606,264	606,264
47INTERMEDIATE MAINTENACE	64,855	64,855	64,855	64,855
48AIR OPERATIONS AND SAFETY SUPPORT	65,742	65,742	65,742	65,742
48AIRCRAFT DEPOT MAINTENANCE	602,679	643,979	616,679	604,679
49AIRCRAFT DEPOT OPERATIONS SUPPORT	24,613	24,613	24,613	24,613
49BASE SUPPORT	807,680	827,680	830,855	814,567

50MAINTENANCE OF REAL PROPERTY 346,107 346,107
373,707 346,107
50 SHIP OPERATIONS

51MISSION AND OTHER SHIP OPERATIONS 1,919,975 1,919,975
1,935,975 1,928,975
51SHIP OPERATIONAL SUPPORT AND TRINING 457,005 457,005
457,005 457,005
52INTREMEDIATE MAINTENANCE 396,844 396,844
422,844 417,844
52SHIP DEPOT MAINTENANCE 1,803,854 1,818,854
1,953,854 1,963,854
53SHIP DEPOT OPERATIONS SUPPORT 787,330 787,330
787,330 787,330
53BASE SUPPORT 828,295 848,295
841,795 835,447
54MAINTENANCE OF REAL PROPERTY 289,182 289,182
312,282 289,182
54 COMBAT OPERATION/SUPPORT

55COMBAT COMMUNICATIONS 206,422 206,422
206,422 206,422
55ELECTRONIC WARFARE 7,589 7,589
7,589 7,589
56SPACE SYSTEM AND SURVEILLANCE 144,806 144,806
144,806 144,806
56WARFARE TACTICS 138,113 138,113
138,113 138,113
57OPERATIONAL METEOROLOGY AND 212,854 212,854
212,854 212,854
OCEANOGRAPHY

57COMBAT SUPPORT FORCES 386,011 386,011
386,011 386,011
58EQUIPMENT MAINTENANCE 163,038 164,038
163,038 164,038
58DEPOT OPERATIONS SUPPORT 1,146 1,146
1,146 1,146
59BASE SUPPORT 327,468 337,468
317,809 325,445
59MAINTENANCE OF REAL PROPERTY 49,511 49,511
53,411 49,511
60 WEAPONS SUPPORT

60CRUISE MISSILE 79,828 120,428
120,428 107,528
61FLEET BALLISTIC MISSILE 756,722 756,722
756,722 756,722
61IN-SERVICE WEAPONS SYSTEMS SUPPORT 50,875 50,875
50,875 50,875
62WEAPONS MAINTENANCE 389,406 389,406
389,406 389,406
62BASE SUPPORT 63,750 73,750
65,150 64,492

63MAINTENANCE OF REAL PROPERTY 31,247 31,247
33,747 31,247
63DEPOT MAINTENANCE RMS PROGRAM ....
20,000 ....
63CONTINGENCY OPERATIONS TRANSFER ....
-126,300 -126,300
63 DBOF SUPPORT

6450 TOTAL, BUDGET ACTIVITY 1 13,877,210 14,035,110
14,113,626 13,994,968
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65 BUDGET ACTIVITY 2: MOBILIZATION

65 READY RESERVE AND PREPOSITIONING

FORCES

66SHIP PREPOSITIONING AND SURGE 497,905 497,905
497,905 497,905
66 ACTIVATIONS/INACTIVATIONS

67AIRCRAFT ACTIVATIONS/INACTIVATIONS 2,699 2,699
2,699 2,699
67SHIP ACTIVATIONS/INACTIVATIONS 568,307 568,307
568,307 568,307
68 MOBILIZATION PREPAREDNESS

68FLEET HOSPITAL PROGRAM 19,374 19,374
19,374 19,374
69INDUSTRIAL READINESS 722 722
722 722
69COAST GUARD SUPPORT 21,929 21,929
21,929 21,929

7000 TOTAL, BUDGET ACTIVITY 2 1,110,936 1,110,936
1,110,936 1,110,936
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70 BUDGET ACTIVITY 3: TRAINING AND

RECRUITING

71 ACCESSION TRAINING

71OFFICER ACQUISITION 66,825 66,825
66,825 66,825
72RECRUIT TRAINING 4,887 4,887
4,887 4,887
72RESERVE OFFICERS TRAINING CORPS (ROTC) 67,777 67,777
67,777 67,777

73BASE SUPPORT 54,338 54,338
55,338 54,868
73MAINTENANCE OF REAL PROPERTY 64,553 64,553
69,653 64,553
74 BASIC SKILLS AND ADVANCED TRAINING

74SPECIALIZED SKILL TRAINING 218,689 207,989
218,689 207,989
75FLIGHT TRAINING 295,280 295,280
295,280 295,280
75PROFESSIONAL DEVELOPMENT EDUCATION 65,981 59,681
65,981 63,181
76TRAINING SUPPORT 119,098 119,098
119,098 120,098
76BASE SUPPORT 316,260 316,260
321,560 319,068
77MAINTENANCE OF REAL PROPERTY 111,355 111,355
120,255 111,355
77 RECRUITING, AND OTHER TRAINING AND

EDUCATION

78RECRUITING AND ADVERTISING 136,474 136,474
136,474 136,474
78OFF-DUTY AND VOLUNTARY EDUCATION 61,643 61,643
61,643 61,643
79CIVILIAN EDUCATION AND TRAINING 22,218 22,218
22,218 22,218
79JUNIOR ROTC 24,902 24,902
24,902 24,902
80BASE SUPPORT 439 439
439 439
80MAINTENANCE OF REAL PROPERTY 59 59
59 59

8100 TOTAL, BUDGET ACTIVITY 3 1,630,778 1,613,778
1,651,078 1,621,616
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81 BUDGET ACTIVITY 4: ADMIN &

SERVICEWIDE ACTIVITIES

82 SERVICEWIDE SUPPORT

82ADMINISTRATION 570,921 570,921
570,921 570,921
83EXTERNAL RELATIONS 21,406 21,406
21,406 21,406
83CIVILIAN MANPOWER AND PERSON MANAGEMENT 69,426 69,426
69,426 69,426
84MILITARY MANPOWER AND PERSON MANAGEMENT 129,426 129,426
129,426 129,426

84OTHER PERSONNEL SUPPORT 237,647 237,647
237,647 237,647
85SERVICEWIDE COMMUNICATIONS 230,240 244,240
230,240 237,240
85BASE SUPPORT 200,375 200,375
203,475 202,017
86MAINTENANCE OF REAL PROPERTY 45,196 45,196
48,796 45,196
87 LOGISTICS OPERATIONS AND TECHNICAL

SUPPORT

87SERVICEWIDE TRANSPORTATION 151,371 151,371
151,371 151,371
88PLANNING, ENGINEERING AND DESIGN 284,268 284,268
284,268 284,268
88ACQUISITION AND PROGRAM MANAGEMENT 467,318 441,718
470,122 444,522
89AIR SYSTEMS SUPPORT 276,446 276,446
276,446 276,446
89HULL, MECHANICAL AND ELECTRICAL SUPPORT 48,613 48,613
48,613 48,613
90COMBAT/WEAPONS SYSTEMS 39,083 39,083
39,083 39,083
90SPACE AND ELECTRONIC WARFARE SYSTEMS 72,540 72,540
72,540 72,540
91BASE SUPPORT 145,338 145,338
147,638 146,556
91PENTAGON RESERVATION FUND TRANSFER ....
-38,300 -38,300
91MAINTENANCE OF REAL PROPERTY 11,967 11,967
11,967 11,967
92 SECURITY PROGRAMS

92SECURITY PROGRAMS 555,721 552,721
555,721 552,721
93BASE SUPPORT 7,344 7,344
7,344 7,344
93MAINTENANCE OF REAL PROPERTY 5,083 5,083
5,083 5,083
94 SUPPORT OF OTHER NATIONS

94INTERNATIONAL HEADQUARTERS AND AGENCIES 7,544 7,544
7,544 7,544

9500 TOTAL, BUDGET ACTIVITY 4 3,577,273 3,562,673
3,550,777 3,523,037

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95CLASSIFIED PROGRAMS UNDISTRIBUTED 4,600
-900 5,204
96INFORMATION RESOURCE MANAGEMENT 50,000
.... -50,000

96GENERAL REDUCTION, NATIONAL DEFENSE -83,333 -50,000
-50,000 -50,000
STOCKPILE FUND

96GENERAL REDUCTION, NATL DEFENSE ....
.... -10,000
STOCKPILE FUND / OTHER

97FOREIGN CURRENCY FLUCTUATION ....
.... -2,100
98PRINTING EFFICIENCIES .... -4,000
.... -4,000
101CIVILIAN PERSONNEL UNDERSTRENGTH .... -44,600
-125,000 -44.600
101ACQUISITION WORKFORCE REDUCTION .... -14,000
.... -14,000
101USTRANSCOM EFFICIENCIES .... -10,000
-9,000 -10,000
101OSA FLYING HOUR REDUCTION .... -20,000
.... -5,000
101WAKE ISLAND HYDROACOUSTIC SYSTEM 900
.... 900
102MAINTENANCE OF REAL PROPERTY 125,000
....
103BASE OPERATION SHORTFALL 30,000
....
103ENVIRONMENTAL COMPLIANCE ....
.... -5,000
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10350 TOTAL, OPERATION AND MAINTENANCE, 20,112,864 20,390,397
20,241,517 20,061,961
NAVY

104TRANSFER (83,333) (50,000)
(50,000) (50,000)

10450 TOTAL FUNDING AVAILABLE (20,196,197) (20,440,397)
(20,291,517) (20,111,961)

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adjustments to budget activities

Adjustments to the budget activities are as follows:

Budget Activity 1: Operating Forces:of dollars]
4655 P-3 Squadron.. 10,600
4850 Depot Maintenance RMS Program....................... 10,000
4850 Depot Maintenance-Aviation Backlog.................. 24,000
4850 Spares-Aviation Spares Reduction.................... -32,000
4950 Base Operations Support............................. 6,887
5100 Mission Operations................................. 9,000

5200 Intermediate Maintenance........................... 21,000
5250 Depot Maintenance RMS Program...................... 10,000
5250 Depot Maintenance-Ship Overhaul Backlog............ 150,000
5350 Base Operations Support............................ 7,152
5800 Reverse Osmosis Desalinators....................... 1,000
5900 Base Operations Support............................ 2,861
5900 NAF Adak.. 10,000
5900 NAS Fallon Aquifer Study........................... 175
5900 NATO Infrastructure Reduction...................... -15,059
6050 Cruise Missile Recertification.................... 27,700
6250 Base Operations Support............................ 742
6310 Contingency Operations Transfer.................... -126,300
Budget Activity 3: Training and Recruiting:
7300 Base Operations Support............................ 530
7450 Specialized Skill Training......................... -10,700
7550 Professional Development Education................. -2,800
7600 Chief of Naval Education and Training (CNET)........ 1,000
7650 Base Operations Support............................ 2,808
Budget Activity 4: Administration and Servicewide
Activities:
8500 Servicewide Communications-Challenge Athena......... 7,000
8550 Base Operations Support............................ 1,642
8850 Acquisition and Program Management................. 2,804
8850 Acquisition Workforce Reduction.................... -25,600
9100 Base Operations Support............................ 1,218
9105 Pentagon Reservation Fund Transfer................. -38,300
9250 Security Program.................................. -3,000
Undistributed:
9550 Classifed (Undistributed)......................... 5,204
9600 Information Resource Management................... -50,000
9650 DNSC Transfer..................................... 33,333
9660 National Defense Stockpile Fund/Other............. -10,000
9700 Foreign Currency Fluctuation...................... -2,100
9800 Printing Efficiencies............................ -4,000
10100 Civilian Personnel Underexecution................. -44,600
10110 Acquisition Workforce Reduction................... -14,000
10120 USTRANSCOM Efficiencies........................... -10,000
10130 OSA Flying Hour Reduction......................... -5,000
10140 Wake Island Hydroacoustic System.................. 900
10305 Environmental Compliance Reduction................ -5,000

Challenge athena

Last year, the Navy requested and the conferees provided $27,000,000 for Challenge Athena and directed the Department to include this requirement in future budget submissions (S. Report 104-124). Despite this direction and the Department's claims that this program is the Navy's number one C4I priority, the Navy once again failed to include Challenge Athena in its budget request. Because of the critical importance of this project to the morale and well-being of deployed fleet sailors, the conferees hereby provide an additional $7,000,000 in servicewide communications.

Chief of naval education and training

The conferees direct that the Chief of Naval Education and Training (CNET), as the Navy's organization responsible for training technology matters, undertake efforts that will lead to maximizing returns on technology investment in distance learning and computer mediated learning. This would include developing more efficient use of the Internet for training requirements, developing models for appropriate applications of training technologies, and developing models to assess leadership training effectiveness. The conferees agree to add $1,000,000 to initiate this effort.

oceanographic ship operations

The conferees direct that up to $7,500,000 be made available for university research fleet oceanographic ship operations out of funds made available in the mission operations line.

intrepid refurbishment

The conferees agree that the Department of Defense should review the cost and feasibility of refurbishing the deck of the USS Intrepid in time for possible inclusion in the fiscal year 1998 budget submission if deemed appropriate.

Operation and Maintenance, Marine Corps

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
105OPERATION AND MAINTENANCE, MARINE CORPS				
105BUDGET ACTIVITY 1: OPERATING FORCES				
106EXPEDITIONARY FORCES				
106OPERATIONAL FORCES	331,478	377,478	331,478	365,478
106INITIAL ISSUE EQUIPMENT	....	....	25,000	....
106WARFIGHTING LAB	....	....	8,000	....
106CONTINGENCY OPERATION TRANFER	....	....	-200	-200