Division M—Intelligence Authorization

The Intelligence Authorization Act for Fiscal Year 2016 (Division M) supports critical national security programs such as those protecting Americans against terrorism and cyberattacks. It is substantially the same as H.R. 4127, which passed the House on a bipartisan 364–58 vote on December 1, 2015. The total funding authorized by the bill is consistent with the Budget Resolution and the Bipartisan Budget Act, balancing fiscal discipline and national security. Among other things, the legislation:

- Sustains critical capabilities to fight terrorism and counter the proliferation of weapons of mass destruction.
- Authorizes funds for efforts to recover from unauthorized disclosures of intelligence capabilities.
- Sustains activities in Syria, Iraq, and Afghanistan to continue the fight against ISIL, al Qaeda, and the Taliban.
- Employs Guantanamo Bay closure restrictions that reflect restrictions in the recently signed FY16 National Defense Authorization Act.
- Invests in the resiliency of our national security space architecture.
- Provides policy direction on sensitive intelligence operations.
- Promotes intelligence integration and sharing through investment in Intelligence Community-wide information technology enterprises.
- Enhances investments in military intelligence, surveillance, and reconnaissance aircraft.
- Authorizes funds for initiatives to thwart cyberattacks and insider threats.

Division N—Cybersecurity Act of 2015

The Cybersecurity Act of 2015 (Division N) creates a voluntary cybersecurity information sharing process that will encourage public and private sector entities to share cyber threat information, without legal barriers and the threat of unfounded litigation—while protecting private information. It also includes provisions to improve federal network and information system security, provide assessments on the federal cybersecurity workforce, and provide reporting and strategies on cybersecurity industry-related and criminal-related matters.

Division O—Other Matters

Title I—Oil Exports, Safety Valve, and Maritime Security

This title prohibits any federal government official from imposing or enforcing any restriction on crude oil exports except in certain limited instances such as a national emergency declared by the President. This title also raises the authorization for ships in the Maritime Security Program to approximately $5 million per ship for years 2017–2021.

Title II—Terrorist Travel Prevention and Visa Waiver Program

The Visa Waiver reforms include provisions to strengthen the security of the Visa Waiver Program (VWP) to better ensure that individuals entering the United States through the program are not security risks, while maintaining the program's ability to facilitate legitimate foreign business travel and tourism to our country.

Title III—James Zadroga 9/11 Health and Compensation Reauthorization Act

This section would reauthorize the World Trade Center Health Program through 2090, establishing annual caps for funding for the first 10 years, then increasing the caps to account for inflation in future years and allowing the funding to carry over if necessary. It adds a requirement that the Administrator provide for an independent peer review of the scientific and technical evidence prior to adding a condition to the List of WTC-Related Health Conditions. It also calls on GAO to provide regular reports for program integrity purposes.

Title IV—James Zadroga 9/11 Victim Compensation Fund Reauthorization

In the 111th Congress, Congress enacted a law that reopened the 9/11 VCF for 5 years and provided $2.775 billion to compensate victims of the September 11th terrorist attacks whose symptoms were latent during the period the original VCF was active (2001–2004). This title reauthorizes the VCF for an additional five years; provides an additional $4.6 billion to fully fund the VCF; and makes technical adjustments to VCF payment schedules to ensure the provided funding is sufficient to pay all claims. The eligibility criteria for the VCF remain the same as existing law.

The title also creates a fund to compensate U.S. victims of terrorism who either hold a final judgment issued against a state sponsor of terrorism under the terrorism exception to the Foreign Sovereign Immunities Act, or were taken hostage (or are a spouse or child of someone who was taken hostage) from the U.S. Embassy in Tehran, Iran in 1979. The victims of the Iran Hostage Crisis, who are precluded from going to court, will be treated as though each hostage has a judgment for $10,000 per day in captivity and each spouse and child of a hostage as though they have a judgment for $600,000. This program will receive an initial allocation of $1.025 billion and will be funded in the future through criminal and civil penalties levied against state sponsors of terrorism and their co-conspirators.

Title V—Medicare and Medicaid Provisions

This title provides spending reforms designed to offset the cost of the reauthorization of the World Trade Center Health Program in Title IV. Specifically, this title will limit the federal Medicaid reimbursement for Durable Medical Equipment to the Medicare rate beginning in 2019, provide incentives for physicians to use digital radiography and other imaging changes, rescind funds from the Medicare Improvement Fund (MIF), and reimburse Home Health Agencies when they use cost effective disposable alternatives to certain durable medical equipment.

Title VI—Puerto Rico

Puerto Rico Medicare hospital rates are constructed from 75 percent of the national average costs of hospitals in the 50 states and DC and 25 percent of the average costs of hospitals in Puerto Rico. Most hospitals in the 50 states and DC receive rates that are 100 percent of the national average costs of hospitals in the states and DC. This policy would create parity for Puerto Rico hospitals at 100 percent. Hospitals in Puerto Rico are also not eligible for the Medicare Electronic Health Record (EHR) Incentive Program. The EHR program has been paying incentives to hospitals in the 50 states and DC that demonstrate meaningful use of certified EHR technology. This policy would create parity for PR hospitals and allow them to participate in the EHR program.

Title VII—Financial Services

Title VII provides targeted regulatory relief and strengthens protections for insurance policyholders. Thus, Title VII exempts inter-affiliate swaps and security-based swap trades executed by the central treasury units of commercial end users and their affiliates from many of the regulations prescribed by Title VII of the Dodd-Frank Act, thereby enabling such businesses to more efficiently hedge certain risks. Title VII also provides that state insurance regulatory tools designed to protect policyholders will be available regardless of an insurance company's legal structure and clarifies the operation of certain authorities applicable to the resolution of distressed insurers.

Title VII also reforms certain governmental operations. In particular, Title VII facilitates the exchange of information regarding consumer financial services businesses between state and federal financial regulators; provides for enhanced transparency and accountability by subjecting the Bureau of Consumer Financial Protection to the Federal Advisory Committee Act; and eliminates a reporting requirement applicable only to the Securities and Exchange Commission and previously repealed for all other agencies, thereby ensuring that the SEC's resources remain focused on carrying out its statutory mission. Title VII also places certain limitations on the sale by the Treasury of preferred stock in Fannie Mae and Freddie Mac.

Finally, Title VII terminates the Making Home Affordable Initiative as of December 31, 2016, while holding harmless modifications applied for or implemented before this deadline. It also provides the Department of the Treasury with the authority to transfer up to $2 billion to the Hardest Hit Fund Program.

Title VIII—Land and Water Conservation Fund
This title reauthorizes the Land and Water Conservation Fund through September 2018. This reauthorization is subject to a prohibition on funds being used for eminent domain, subject to approval by House and Senate Committees on Appropriations.

Title IX—National Oceans and Coastal Security
This title creates a grant program managed by the National Fish and Wildlife Foundation and the National Oceanic and Atmospheric Administration for the purpose of better understanding and utilizing the oceans. The program is prohibited from funding litigation against the federal government or from funding the creation of national marine monuments and marine protected areas, marine spatial planning or National Ocean Policy. The program is authorized to be appropriated for FY 2017–2019.

Title X—Budgetary Provisions
This title provides that specified authorizations in the bill that increase or decrease direct spending or revenue are not subject to Statutory PAYGO, Senate PAYGO, and the discretionary spending limits. It authorizes the Budget Committee Chairman to adjust the fiscal year 2016 302(a) allocations and other appropriate levels in the FY 16 budget resolution to reflect the Bipartisan Budget Act of 2015. It does not "deem" a budget resolution for fiscal year 2017 or permit the Chairman to set allocations for fiscal year 2017. It eliminates an obsolete OMB reporting requirement relating to the enforcement of the discretionary spending limits. It also provides a special allowance under the discretionary spending limits for differences in OMB and CBO scoring of appropriations bills.

Title XI—Iraq Loan Authority
This provision authorizes up to $2.7 billion in direct loans to Iraq using the assistance provided to it through the Foreign Military Financing program.

Division P—Tax-Related Provisions

Title I—High Cost Employer-Sponsored Health Coverage Excise Tax Provisions
This title provides for a two-year delay of the excise tax on high-cost employer-sponsored health coverage (the "Cadillac" tax), meaning the tax would first be effective in 2020 rather than 2018 as scheduled. It conforms the Cadillac tax to the general rule for excise taxes, by making the tax deductible as a business expense. It also provides for a study on the suitability of the Blue Cross/Blue Shield (BCBS) standard benefit option under the Federal Employees Health Benefits Plan (FEHBP) as the proper benchmark for the threshold measurement of the Cadillac tax.

Title II—Annual Fee on Health Insurance Providers
This title provides for a one-year moratorium on the annual excise tax imposed on health insurers for calendar year 2017.

Title III—Miscellaneous Provisions
The title extends the production tax credit (PTC) for wind energy through 2016. After an extension through 2016 at prior law levels, the title phases out the wind PTC by providing 80 percent of the credit value for 2017, 60 percent for 2018, and 40 percent for 2019. After 2019, the wind PTC would expire.

The title extends the election to treat wind facilities as energy property under the section 48 investment tax credit (ITC) through 2016. After an extension through 2016 at prior law levels, the title phases out the election by providing 80 percent of the credit value for 2017, 60 percent for 2018, and 40 percent for 2019. After 2019, the temporary ITC provision would expire.

The title extends the 30 percent temporary solar investment tax credit (ITC) from its current expiration after December 31, 2016, for three additional years through 2019. The title then phases out the solar ITC by providing a 26 percent credit for 2020 and a 22 percent credit for 2021. After 2021, the solar ITC would expire.

The title extends the temporary credit for solar residential energy-efficiency property from its current expiration after December 31, 2016, for three additional years through 2019. The title then phases out the credit for solar residential energy-efficiency property by providing a 26 percent credit for 2020 and a 22 percent credit for 2021. After 2021, the credit would expire.

The title would temporarily exempt 75 percent of transportation costs of certain independent refiners from the 3 percent reduction in the otherwise allowable deduction for income attributable to domestic production activities under Section 199. The title would apply to taxable years beginning after December 31, 2015, and expire after December 31, 2021.