Mr. MURKOWSKI. Mr. President, I am pleased today to introduce with my distinguished colleague from Maine, Senator COLLINS, the Graduate Medical Education Technical Amendments Act of 1999. This legislation will alleviate unintended consequences of the Balanced Budget Act of 1997 regarding Graduate Medical Education (GME).

The Balanced Budget Act of 1997 contained important and necessary GME reform. However, a small number of the changes in the Balanced Budget Act of 1997, have grave consequences for many residency programs, particularly for programs that have been training in ambulatory settings, are small, or who produce physicians to serve in rural areas. The impact has been disproportionately harmful to programs that: have already been training in ambulatory settings (because the hospitals in which they were located were not allowed to count the residents they had serving in community settings in the cap); are small, such as hospitals with only one residency program; and train physicians for practice in rural areas.

The impact is especially damaging to family practice residency programs. Only family practice residents have been trained extensively out of the hospital and only family practice residencies were significantly harmed by this provision in the BBA. In fact, a recent survey indicates that 56 percent of family residency program directors believe that the BBA provisions will preclude their development of rural training sites.

Senator COLLINS' and my legislation would include the following legislative remedies:

Recalculate the IME and DME caps based on the number of interns and residents who were appointed by the approved medical residency training programs for FY 1996, whether they were being trained in the hospital or in the community;

Change the cutoff date for adjusting the DME funding cap to September 30, 1999, to allow those programs already in the approval process for accreditation to continue to realization; and

Expand the exception to the funding caps to include programs with separately accredited rural training tracks even if the sponsoring hospital is not located in a rural area, and for residency programs where a primary care training program is the only one offered in the hospital.

This legislation is important for Alaska's first and only residency program. The Alaska Family Practice Residency is specifically designed to train physicians to practice medicine in rural Alaska.

Alaska's rural health care problems are tough: 74% of Alaska is medically under-served. Many villages populated by 25–1000 individuals do not have access to physicians. Physician turn-over rate is high which makes it impossible for patients to establish long-term relationships with their physician to manage chronic disease or to do preventative medicine. The result is that bush Alaska has much higher rates of preventable diseases.

This legislation is truly imperative to Alaska health care. While other residency programs have the luxury of educating their residents on rural health issues, for us it is a necessity.

Mr. President, our legislation corrects a small deficiency in the BBA of 1997 that has had a large, unintended impact on programs training community-based and rural doctors. I hope my colleagues can join our efforts and support this important legislation.

By Mr. ABRAHAM (for himself, Mr. WYDEN, Mr. HATCH, Mr. KERREY, Mr. COVERDELL, Mr. DASCHLE, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. ALLARD, Mr. GORTON, Mr. BURNS, and Mr. MCCONNELL):

S. 542. A bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers; to the Committee on Finance.

THE NEW MILLENNIUM CLASSROOMS ACT

Mr. ABRAHAM. Mr. President, I am joined today by Senators WYDEN, HATCH, KERREY, COVERDELL, DASCHLE, JEFFORDS, LIEBERMAN, ALLARD, GORTON, MCCONNELL, and BURNS in introducing the New Millennium Classrooms Act. This legislation will effectively encourage the donation of computer equipment and software to schools through tax deductions and credits. In addition, enhanced tax credits would be applied to equipment donated to schools within designated empowerment zones, enterprise communities, and Indian reservations.

Advanced technology has fueled unprecedented economic growth and transformed the way Americans do business and communicate with each other. Despite these gains, this same technology is just beginning to have an impact on our classrooms and how we educate our children. It is projected that 60 percent of all jobs will require high-tech computer skills by the year 2000, yet 32 percent of our public schools have only one classroom with access to the Internet.

Mr. President, it is imperative that we act now to provide our nation's students with the necessary technological background so they can succeed in tomorrow's high-tech workplace and ensure our country's future position in competitive world markets.

The Department of Education recommends that there be at least one computer for every five students. According to the Educational Testing Service, in 1997, there was only one computer for every 24 students, on average. Not only are our classrooms sadly under-equipped, but even those classrooms with computers often have systems which are so old and outdated they are unable to run even the most basic software programs, are not multimedia capable and cannot access the Internet. Mr. President, one of the more common computers in our schools today is the Apple IIc, a computer so archaic it is now on display at the Smithsonian.

While this technological deficiency affects all of our schools, the students who are in the most need are receiving the least amount of computer instruction and exposure.

According to the Secretary of Education, 75.9 percent of households with an annual income over $75,000 have computers, compared to only 11 percent of households with incomes under $10,000. This disparity exists when comparing households with Internet access as well. While 42 percent of families with annual incomes over $75,000 have on-line capability, only 10 percent of families with incomes $25,000 or less can access the Internet from their homes.

Rural areas and inner cities fall below the national average for households that have computers.

Nationwide, 40.8 percent of white households have computers, while only 19 percent of African-American and Hispanic households do. This disparity is increasing, not decreasing. And, Mr. President, this unfortunate trend is not confined simply to individual households, it is present in our schools as well.

Education should be a great equalizer, providing the means by which Americans can take advantage of all the opportunities this country can offer, regardless of background. Yet, Educational Testing Service statistics show schools with 81 percent or more economically disadvantaged students have only one multi-media computer for every 32 students, while a school with 20 percent or fewer economically disadvantaged students will have a multi-media computer for every 22 students. That is a difference of 10 students per computer. Furthermore, schools with 90 percent or more minority students have only one multimedia computer for every 30 students.

Mr. President, this is simply unacceptable.

The Taxpayers Relief Act of 1997 contains a provision, The 21st Century Classrooms of 1997, which allows a corporation to take a deduction from taxable income for the donation of computer technology, equipment and software.

Unfortunately, since The 21st Century Classrooms Act of 1997 has been implemented, there has not been a significant increase in corporate donations of computers and related equipment to K–12 schools. The current incentives do not provide enough tax relief to outweigh the costs incurred by the donors. Moreover, the restrictions limiting the age of eligible equipment to two years or less and the narrow definition of ''original use'' has greatly

limited the number of computers available for qualified donation. As a result, the Detwiler Foundation, a California-based organization with unparalleled status as a facilitator of computer donations to K–12 schools nationwide, reports they ''have not witnessed the anticipated increase in donation activity'' since the enactment of the 1997 tax deduction.

Mr. President, to increase the amount of technology donated to schools, the New Millennium Classrooms Act would expand the parameters of the current tax deduction and add a tax credit, which operates like the R&D tax credit. Specifically, the bill would do the following:

First, this legislation would allow a tax credit equal to 30 percent of the fair market value of the donated computer equipment. An increased tax credit provides greater incentive for companies to donate computer technology and equipment to schools. This includes computers, peripheral equipment, software and fiber optic cable related to computer use.

Second, it would expand the age limit to include equipment three years old or less. Many companies do not update their equipment within the two year period. This provision increases the availability of eligible equipment. Three year old computers equipped with Pentium-based or equivalent chips have the processing power, memory, and graphics capabilities to provide sufficient Internet and multimedia access and run any necessary software.

Third, the current limitation on ''original use'' would be expanded to include the original equipment manufacturers or any corporation that reacquires the equipment. By expanding the number of donors eligible for the tax credit, the number of computers available will increase as well.

Lastly, enhanced tax credits equal to 50 percent of the fair market value of the equipment donated to schools located within designated empowerment zones, enterprise communities, and Indian reservations would be implemented. Doubling the amount of the tax credits for donations made to schools in economically-distressed areas will increase the availability of computers to the children that need it most.

Bringing our classrooms into the 21st century will require a major national investment. According to a Rand Institute study, it will cost $15 billion, or $300 per student, to provide American schools with the technology needed to educate our youth; the primary cost being the purchase and installation of computer equipment. At a time when the government is planning to spend $1.2 billion to wire schools and libraries to the Internet, the demand for this sophisticated hardware will be greater than ever.

The Detwiler Foundation estimates that if just 10 percent of the computers that are taken out of service each year were donated to schools, the national ratio of students-to-computers would be brought to five-to-one or less. This would meet, or even exceed, the ratio recommended by the Department of Education.

The New Millennium Classrooms Act will provide powerful tax incentives for American businesses to donate top quality high-tech equipment to our nation's classrooms without duly increasing Federal Government expenditures or creating yet another federal program or department. Encouraging private investment and involvement, this Act will keep control where it belongs—with the teachers, the parents, and the students.

This bill is not simply another ''targeted tax break.'' Broad-based tax relief and reform efforts should work to lower tax rates across the board while continuing to retain and improve upon the core tax incentives for education, homeownership, and charitable contributions. The New Millennium Classrooms Act expands the parameters and thus the effectiveness of an already existing education and charity tax incentive, one which will effectively bring top-of-the-line technology into all of our schools.

With the passage of the New Millennium Classrooms Act, all our children will have an equal chance at succeeding in the new technological millennium.

Mr. President, I ask unanimous consent that the bill, a section by section analysis, and a letter from the Detwiler Foundation be printed in the RECORD.

There being no objection, the material was ordered to printed in the RECORD, as follows:

S. 542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''New Millennium Classrooms Act''.

SEC. 2. EXPANSION OF DEDUCTION FOR COMPUTER DONATIONS TO SCHOOLS.

(a) EXTENSION OF AGE OF ELIGIBLE COMPUTERS.—Section 170(e)(6)(B)(ii) of the Internal Revenue Code of 1986 (defining qualified elementary or secondary educational contribution) is amended—

(1) by striking ''2 years'' and inserting ''3 years'', and

(2) by inserting ''for the taxpayer's own use'' after ''constructed by the taxpayer''.

(b) REACQUIRED COMPUTERS ELIGIBLE FOR DONATION.—

(1) IN GENERAL.—Section 170(e)(6)(B)(iii) of the Internal Revenue Code of 1986 (defining qualified elementary or secondary educational contribution) is amended by inserting '', the person from whom the donor reacquires the property,'' after ''the donor''.

(2) CONFORMING AMENDMENT.—Section 170(e)(6)(B)(ii) of such Code is amended by inserting ''or reaquired'' after ''acquired''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years ending after the date of the enactment of this Act.

SEC. 3. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS.

''(a) GENERAL RULE.—For purposes of section 38, the school computer donation credit determined under this section is an amount equal to 30 percent of the qualified elementary or secondary educational contributions (as defined in section 170(e)(6)(B)) made by the taxpayer during the taxable year.

''(b) INCREASED PERCENTAGE FOR CONTRIBUTIONS TO SCHOOLS IN EMPOWERMENT ZONES, ENTERPRISE COMMUNITIES, AND INDIAN RESERVATIONS.—In the case of a qualified elementary or secondary educational contribution (as so defined) to an educational organization or entity located in an empowerment zone or enterprise community designated under section 1391 or an Indian reservation (as defined in section 168(j)(6)), subsection (a) shall be applied by substituting '50 percent' for '30 percent'.

''(c) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply.

''(d) TERMINATION.—This section shall not apply to taxable years beginning on or after the date which is 3 years after the date of the enactment of the New Millennium Classrooms Act.

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the school computer donation credit determined under section 45D(a).''

(c) DISALLOWANCE OF DEDUCTION BY AMOUNT OF CREDIT.—Section 280C of the Internal Revenue Code of 1986 (relating to certain expenses for which credits are allowable) is amended by adding at the end the following:

''(d) CREDIT FOR SCHOOL COMPUTER DONATIONS.—No deduction shall be allowed for that portion of the qualified elementary or secondary educational contributions (as defined in section 170(e)(6)(B)) made during the taxable year that is equal to the amount of credit determined for the taxable year under section 45D(a). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.''

(d) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SCHOOL COMPUTER DONATION CREDIT BEFORE EFFECTIVE DATE.—No amount of unused business credit available under section 45D may be carried back to a taxable year beginning on or before the date of the enactment of this paragraph.''

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45C the following:

''Sec. 45D. Credit for computer donations to schools.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS—THE NEW MILLENNIUM CLASSROOMS ACT

A bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers.

Section 1. Short title

This section provides that the act may be cited as the ''New Millennium Classrooms Act''

Section 2. Expansion of deduction for computer donations to schools

This section extends the age of eligible computers from two years to three years of age.

In addition, the scope of ''original use'' is expanded to include not only the donor or the donee, but the person from whom the donor reacquires the property as well.

The amendments made by this section shall apply to contributions made in taxable years ending after the date of the enactment of this Act.

Section 3. Credit for computer donations to schools

This section establishes that the school computer donation credit shall be an amount equal to 30 percent of the fair market value of the qualified contribution.

In addition, the school computer donation credit is enhanced for contributions made to schools located within designated empowerment zones, enterprise communities, and Indian reservations. The school computer donation credit shall be an amount 50 percent of the fair market value of the qualified contribution.

This section shall not apply to taxable years beginning on or after the date which is three years after the date of enactment of the New Millennium Classrooms Act.

This section includes a disallowance of the existing tax deduction by the amount of the tax credit, stating that no deduction shall be allowed for that portion of the qualified contribution that is equal to the amount of the tax credit.

Lastly, no amount of unused business credit available may be carried back to a taxable year beginning on or before the date of the enactment of this Act.

The amendments made by the sections shall apply to taxable years beginning after the date of the enactment of this Act.

THE DETWILER FOUNDATION,
COMPUTERS FOR SCHOOLS PROGRAM,
La Jolla, CA, March 3, 1999.

Hon. SPENCER ABRAHAM,
U.S. Senate, Washington, DC.

DEAR SENATOR ABRAHAM: I am writing you because of the Detwiler Foundation's unparalleled status as a facilitator of computer donations to K–12 schools across the United States. Our experience—eight years in computer solicitation, refurbishing and placement, working through various types of facilities in states across the nation—leaves us uniquely qualified to provide perspective on computer donation history, process and trends. Because of our depth of knowledge in this area, it has been requested that we offer information and insight on legislation that may be coming before you this year.

As you move into the heart of the nation's legislative workload for 1999 we understand that many different issues will be on the agenda. The Detwiler Foundation Computers for Schools Program is dedicated to increasing and enhancing school technology available across the nation. As you might imagine, we are keenly interested in all matters that help us support that goal. Perhaps as you consider legislation for this session you will examine existing statutes for charitable contributions of computers and computer equipment to schools and education-benefit organizations like ours.

Two years ago Congress enacted the 21st Century Classrooms Act as part of the Tax Relief Act of 1997 (HR2014). This provision allows corporations that donate computers to qualified organizations (schools and education-benefit non-profits) to receive an enhanced charitable contribution tax deduction. The Detwiler Foundation welcomed this legislation and considered it a significant development in our efforts to support a computer-literate and technologically-prepared society.

While we remain unqualifiedly grateful to the sponsors and supporters of the 21st Century provision, we have not witnessed the anticipated increase in donation activity. We have been told by companies in a position to utilize the legislation that, for the most part, it does not fully meet their business cycle needs. We have also come to understand that, even though company executives work hard to serve their communities and the nation—and often succeed in so doing—they still must ultimately answer to their shareholders. The current legislation, they say, does not offer them significant assistance in that responsibility.

The Detwiler Foundation suggests that an expansion of the current code will bring about the results sought by the authors of the 21st Century Classrooms Act while maintaining the budgetary responsibility these times demand. Our experience to this point is that no donors to our program have been able to apply provisions of the current code to their donations. In other words, donations have not attached to the Balanced Budget offset outlay made for the existing legislation. It is our firm belief that the following amendments will meet the goals of the legislation while maintaining fiscal responsibility.

Expand the ''eligible equipment'' provision to include computers three (3) years old or less.

Provide donors shall a contribution credit against taxable income equal to a percentage of the original basis of the donated equipment. There should be a greater credit for contributions to schools in federally-recognized empowerment zones.

Offer the enhanced benefit to all IRS-designated (''C'' and ''Subchapter S'') corporations.

Allow donee or facilitator to enhance and upgrade equipment as is reasonable and necessary and recover the cost of work done to add value to the equipment in addition to recovering the cost for shipping, installation and transfer.

Make the legislation effective January 1, 2000 and extend its lifetime through December 31, 2004.

The Detwiler Foundation addresses this issue as an organization working with state governments and local entities in every part of the nation. While we have no statistical evidence to certify this, we are as we understand it (and as is generally conceded) the single most prolific source of donated computers for schools across the nation. Last year we coordinated more than 12,000 computer donations. Furthermore, we have been facilitating these contributions since 1991. Our program has become the model for many other agencies now involved in soliciting and providing computers for schools. It is from that vantage point that we provide our insights and observations.

We offer these suggested changes to the legislation after having estimated the financial impact of these changes. This estimate is based on our experience and our informed perspective—you will find a copy accompanying this letter. In coming to our conclusions, we attempted to be what we consider generous, or even liberal, in our assignments of applicable donations, facilitators and receiving schools and tax credits. In other words, we have attempted to err on the ''high'' or most expensive side in this equation. We believe the actual costs to government coffers will be substantially less than our educated guess.

Thank you for your time and consideration, and the very best to you as you tackle this session's legislative agenda.

Sincerely,

JERRY GRAYSON,
Regional Director.

Mr. HATCH. Mr. President, I join today with my colleagues Senators ABRAHAM and WYDEN to introduce the New Millennium Classrooms Act.

Technology is a wonderful thing. It increases our productivity, enhances the way we communicate with each other, and opens up access to whole new worlds at the click of a finger.

It is becoming an integral part of the way America does business. Our economy has become more and more globalized. Our jobs, our cars, and our toys are more and more high-tech. Computers have become such a big part of American business that it has been projected that 60 percent of American jobs will require high-tech computer skills by 2000—just next year.

Unfortunately, there is an important part of our society that has not kept pace with this technology craze—our schools. We are falling dismally short of meeting the Department of Education's recommendation of 1 computer per 5 students. American schools had an average of just 1 computer per 24 students in 1997.

Not only are there too few computers in the classrooms, but those that are there are old and outdated, unable to run today's software and applications. In fact, the most popular model of computer in our schools is the Apple IIc. For those of you who are unfamiliar with this computer, you can see one just down the street in the Smithsonian.

Too many of today's schoolchildren are missing out on one of the greatest advancements in computer applications—the Internet. Thirty-two percent of our public schools have only one classroom with access to the Internet. This is not right. Our kids deserve the cutting edge of technology, not the 21st century equivalent of chalk and slates.

In 1997, Congress recognized the need for more and better computers in our schools enacting a corporate charitable tax deduction for school computer donations. Unfortunately, the deduction was crafted narrowly with various restrictions and limitations so that we have not seen a significant increase in computer donations to our schools.

The New Millennium Classrooms Act is designed to address the shortcomings of the current deduction by expanding limits on the deduction and adding a tax credit equal to thirty percent of the fair market value of the donated computer equipment. This provides greater incentives for corporations to donate computer technology and equipment to our schools.

Allowing computer manufacturers to donate computers and other equipment returned to them through trade-ins or leasing programs will expand both the number of eligible donors and the qualified equipment to be donated.

An enhanced 50 percent tax credit for donations to schools located in empowerment zones, enterprise communities, and Indian reservations will help to address the growing technology gap between our urban and rural, rich and poor schools. This will help focus the donations to those kids who need the technology the most, to those kids who are less likely to have a computer at home.

A good education for our children is the key to the future of our country. Without current computers and equipment in our schools, we cannot keep our kids on the cutting edge of technology where they belong. This bill contains real incentives for private organizations to get involved and donate computers and equipment to schools in order to help educate our children. This is important to our kids, our schools, and our future. I urge my colleagues to cosponsor this legislation.

By Ms. SNOWE (for herself, Mr. FRIST, Mr. JEFFORDS, Mr. HAGEL, Ms. COLLINS, and Mr. ENZI):

S. 543. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Health, Education, Labor, and Pensions.

GENETIC INFORMATION NONDISCRIMINATION IN HEALTH INSURANCE ACT

Ms. SNOWE. Mr. President, I am pleased to be joined by my colleagues Senators JEFFORDS, FRIST, and HAGEL in introducing the Genetic Information Nondiscrimination in Health Insurance Act. I first introduced this legislation in the 104th Congress, in conjunction with Representative LOUISE SLAUGHTER in the House. Since then I have worked extensively with many of my colleagues to ensure that this legislation effectively addresses the need for protections against genetic discrimination in the health insurance industry. This bill builds on and improves the language included in the Patients' Bill of Rights—Plus (S. 300).

Progress in the field of genetics is accelerating at a breathtaking pace. Who could have predicted 20 years ago that scientists could accurately identify the genes associated with cystic fibrosis, cancer, Parkinson's and Alzheimer's diseases? Today scientists can, and as a result doctors are increasingly better able to identify predispositions to certain diseases based on the results of genetic testing. These results mean that doctors are better able to successfully treat and manage many diseases. Scientific advances hold tremendous promise for the approximately 15 million people affected by the over 4,000 currently-known genetic disorders, and the millions more who are carriers of genetic diseases who may pass them on to their children. In fact, just this month scientists reported that one of the genes implicated in advanced breast cancer is also related to the final stages of prostate cancer. Because science progresses my legislation has not remained static and it represents the best of genetic advancements and the most comprehensive definitions of genetic issues. I have been working hard with experts in the genetics field, Chairman of the Health, Education, Labor, and Pensions Committee Senator JIM JEFFORDS, Senator BILL FRIST, and Senator CHUCK HAGEL to improve upon the language included in the Patients' Bill of Rights—Plus. Today's bill is the result of an enormous amount of time and effort, and I want to thank my three colleagues for their willingness to devote so much of their attention to this important issue.

Unfortunately as our knowledge of genetics and genetic predisposition to disease has increased, so has the potential for discrimination in health insurance based on genetic information. In addition to the potentially devastating consequences health insurance denials based on genetic information can have on American families, the fear of discrimination has equally harmful consequences for consumers and for scientific research. But genetics still isn't an exact science. We all must remember that prediction does not mean certainty. For example, the Alzheimer's gene has less than a 35 percent prediction certainty. Science has not yet progressed to the point where it can tell us definitely and without doubt what will happen if a mutation is found and it is this uncertainty that makes our legislation so very, very important.

As a legislator who has worked for many years on the issue of breast cancer, and as a woman with a history of breast cancer in her family, I continue to be amazed and delighted with the treatment advances based on the discoveries of two genes related to breast cancer—BRCA1 and BRCA2. Keep in mind that women who inherit mutated forms of either gene have an 85 percent risk of developing breast cancer in their lifetime, and a 50 percent risk of developing ovarian cancer. Not very good odds.

Although there is no known treatment to ensure that women who carry the mutated gene do not develop breast cancer, genetic testing makes it possible for carriers of these mutated genes to take extra precautions such as mammograms, self-examinations, and even enrollment in research studies in order to detect cancer at its earliest stages. Many women who might take extra precautions if they knew they had the breast cancer gene may not seek testing because they fear losing their health insurance. And what are the implications when women are afraid of having a genetic test—or testing their daughters?

The implications are simply devastating. One of my constituents from Hampden, Maine put it best:

> I'm a third generation [breast cancer] survivor and as of last October I have nine immediate women in my family that have been diagnosed with breast cancer * * *. I want my daughters to be able to live a normal life and not worry about breast cancer. I want to have the BRCA test [for breast cancer] done but because of the insurance risk for my daughters' future I don't dare.

Nine women in Bonnie Lee Tucker's family have breast cancer, yet the fear of discrimination was so strong that she would forgo testing that could potentially save her own or her daughters' lives.

Patients like Bonnie Lee Tucker may be unwilling to disclose information about their genetic status to their physicians out of fear, hindering treatment or preventive efforts. And though it could save her life or the life of one of her daughters she is unwilling to participate in potentially ground-breaking research trials because she does not want to reveal information about their genetic status and is afraid of losing her health insurance. Bonnie Lee Tucker should not have to bet her life and the life of her daughter this way.

Americans should not live in fear of knowing the truth about their health status. They should not be afraid that critical health information could be misused. They should not be forced to choose between insurance coverage and critical health information that can help inform their decisions. They should not fear disclosing their genetic status to their doctors. And they should not fear participating in medical research.

We must ensure that people who are insured for the very first time, or who become insured after a long period of being uninsured, do not face genetic discrimination. We must ensure that people are not charged exorbitant premiums based on such information. We must ensure that insurance companies cannot discriminate against individuals who have requested or received genetic services. We must ensure that insurance companies cannot release a person's genetic information without their prior written consent. And we must ensure that health insurance companies cannot carve out covered services because of an inherited genetic disorder. Our bill does just that.

As the Senate moves forward with the Patients' Bill of Rights—Plus we must focus on this important issue and should act as quickly as possible to put a halt to the unfair practice of discriminating on the basis of genetic information, and to ensure that safeguards are in place to protect the privacy of genetic information.

Mr. FRIST. Mr. President, it is with great pride that I rise today to introduce the Genetic Information Nondiscrimination in Health Insurance Act of 1999 with my colleagues, Senators SNOWE, JEFFORDS, HAGEL, and COLLINS. We have worked diligently on this legislation for several years to bring this issue to the forefront of the Congressional agenda and to craft a solid piece of legislation that will provide patients

with real protections against genetic discrimination in health insurance.

Scientists anticipate that the entire human genome will be completely decoded within the next few years. This unprecedented accomplishment will usher in a new era in our understanding of diseases that afflict all Americans and is bound to expand our understanding of human development, health and disease. Ultimately, our hope is that medical science will capitalize on these scientific advances to promote the health and well-being of our citizens.

It is the discovery of ''disease genes'' that provides the eye of the current legislative storm. Scientists have already identified genes that are associated with increased risk of certain diseases including: breast cancer, colon cancer and Alzheimer's dementia. In time, more genes will be linked to risk of future disease. While early knowledge of disease risk is imperative to our ability to take measures to prevent disease, many fear some form of retribution for carrying ''bad'' genes and, therefore, refuse testing. Discrimination in health insurance, either by denial of coverage or excessive premium rates, is the major concern of most individuals. For example, nearly a third of women offered a test for breast cancer risk at the National Institutes of Health declined citing concerns about health insurance discrimination.

Biomedical research and scientific progress march on and do not pause for social and public policy debate and legislation. The escalating speed of genetic discovery mandates that Congress act now to prohibit discrimination against healthy individuals who may have a genetic predisposition to disease. The bill I have been working on with Senators SNOWE and JEFFORDS prohibits group health plans or health insurance issuers from adjusting premiums based on predictive genetic information regarding an individual. In the individual insurance market, our bill prohibits health insurance issuers from using predictive genetic information to deny coverage or to set premium rates. Furthermore, insurers are prohibited from requesting predictive genetic information or requiring an individual to undergo genetic testing. If genetic information is requested for diagnosis of disease, or treatment and payment for services, health insurers are required to provide patients a description of the procedures in place to safeguard the confidentiality of such information.

The deciphering of the human genome presents an unparalleled opportunity to more completely understand disease processes and cures. We want patients to benefit from our investment in biomedical research and fully utilize medical advancements to improve their health. This will not be possible unless individuals are willing to be tested. Patients must feel safe from repercussions based on their genetic profile. Prohibition of genetic discrimination in insurance will remove the greatest barrier to testing and thus further accelerate our scientific progress.

My Senate colleagues and I are in the process of scrutinizing the quality of the medical care in our country. Increasing access to health care and improving the quality of that care are two cornerstones of the Senate Republican Patients' Bill of Rights (S.300/S.326). I believe that quality is best achieved when patients and their care givers can make fully informed decisions regarding different treatment options. In addition, the essence of a long and productive life is the adoption of healthy habits including preventative measures based on disease risk assessment. As a result, testing for genetic risk becomes an indispensable part of quality health care—which is why Senators SNOWE, JEFFORDS, HAGEL, COLLINS, and I felt strongly that genetic discrimination provisions must be included our Patients' Bill of Rights. Patients must not forgo genetic testing because of fear of discrimination in insurance. We have the opportunity—we have the duty—to dispel the threat of discrimination based on an individual's genetic heritage. I look forward to working with my colleagues to enact these provisions this year as the health care debate moves forward.

Mr. JEFFORDS. Mr. President, it is with great pride that I introduce the ''Genetic Information Nondiscrimination in Health Insurance Act of 1999,'' with my colleagues, Senators SNOWE, FRIST, HAGEL, and COLLINS. These protections will give all Americans the assurance that the scientific breakthroughs in genetics testing are only used to improve an individual's health and not as a new means of discrimination.

On May 21st of last year, I held a Labor and Human Resources Committee hearing on ''Genetic Information and Health Care,'' which proved to be one of the most important of the Committee's hearing during the 105th Congress. At that hearing, the Committee was presented information regarding the enormous health benefits that genetic testing research may contribute to health care, particularly in preventative medicine. Additionally, we heard compelling testimony from witnesses who fear that genetic testing will be used to discriminate against individuals with asmyptomatic conditions and to deny them the access to health insurance coverage that they have traditionally enjoyed.

Following that hearing, I directed my staff to work with the offices of Senator FRIST and the other members of the Labor Committee, together with the office of Senator SNOWE, to draft legislation that build on Senator SNOWE's bill, S. 89, to ensure that individuals would be able to control the use of their predictive genetic information. The results of these efforts are reflected in the genetic information provisions of S. 300, ''The Patients' Bill of Rights Plus Act.''

Our legislation addresses the concerns that were raised at the hearing:

1. It prohibits group health plans and health insurance companies in all markets from adjusting premiums on the basis of predictive genetic information.

2. Prohibits group health plans and health insurance companies from requesting predictive genetic information as a condition of enrollment.

3. It allows plans to request—but not require—that an individual disclose or authorize the collection of predictive genetic information for diagnosis, treatment, or payment purposes. In addition, as part of the request, the group health plans or health insurance companies must provide individuals with a description of the procedures in place to safeguard the confidentiality of the information.

For a society, it is often said, demography is destiny. But for an individual, as we are learning more and more, it is DNA that is destiny. Each week, it seems, scientists decipher another peace of the genetic code, opening doors to greater understanding of how our bodies work, how they fail, and how they might be cured.

Everyday we read of new discoveries resulting from the work being conducted at the National Center for Human Genome Research. As our body of scientific knowledge about genetics, increases, so, too, do the concerns about how this information may be used. There is no question that our understanding of genetics has brought us to the brink of a new future. Our challenge as a Congress will be to help ensure that our society reaps the full health benefits of genetic testing and also to put to rest any concerns that the information will be used as a new tool to discriminate against specific ethnic groups or individual Americans.

With the enactment of the ''Genetic Information Nondiscrimination in Health Insurance Act of 1999'' as a part of S. 300—''The Patients' Bill of Rights Plus Act''—we will be able to ensure that these scientific breakthroughs stimulated by the Human Genome Project will be used to provide better health for all members of our society and not as a means of discrimination.

By Mr. HOLLINGS (for himself and Mr. ROCKEFELLER):

S. 545. A bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 1999, 2000, 2001, 2002, 2003, and 2004, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE FEDERAL AVIATION ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. HOLLINGS. Mr. President, I rise today to introduce the Administration's 1999 Reauthorization bill at the request of Transportation Secretary Rodney Slater. I introduce it so that it can be part of the debates on the future of our aviation system. There are many provisions that I do not support and the Secretary understands this. However, the FAA needs adequate funding.

The money is in the Airport and Airways Trust Fund—we just need to unlock it.

The items which concern me include the PFC and doing away with the High Density Rule and fees. Furthermore, I take issue with the Performance Based Organization though I recognize that many segments of the industry support it. We will not privatize the ATC System, but we must make sure FAA has the tools and money to do its job.

I intend to work with the Secretary and Senators MCCAIN, ROCKEFELLER, and GORTON to accomplish this common goal.

Mr. ROCKEFELLER. Mr. President, today, along with Senator HOLLINGS, I am introducing the Administration's legislative proposal for reauthorizing the programs of the Federal Aviation Administration. I do so at the request of Transportation Secretary Rodney Slater who is eager to have the Senate consider his key initiatives.

Among other provisions, the bill includes a number of initiatives that will be beneficial to small communities, modeled in part after S. 379, the Air Service Restoration Act, which I introduced earlier this year, along with Senators DORGAN, WYDEN, HARKIN, and BINGAMAN. Several of these provisions also have been incorporated into the FAA reauthorization bill, S. 82, which has been favorably reported by the Commerce Committee.

Many of my colleagues share my own commitment to addressing the critical needs and concerns of small communities—the challenges they face in general, and the lack of air service in particular. I am very pleased that the Secretary's bill offers leadership in this area.

I must also point out, however, that there are other areas of the Administration's bill that I am reserving judgment on and may not be able to support. The Secretary is aware of my concerns, and I want to work with him and my colleagues on crafting a meaningful legislative package to reform the FAA, strengthen the Airport Improvement Program, enhance aviation competition and address the needs of small communities.

By Mr. DORGAN:

S. 546. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals; to the Committee on Finance.

THE HEALTH INSURANCE COST TAX EQUITY ACT OF 1999

Mr. DORGAN. Mr. President, today I rise to introduce the Health Insurance Cost Tax Equity Act of 1999, to immediately put our nation's sole proprietors on par with their larger corporate competitors with respect to the tax treatment of their health insurance costs, without any further delay.

I have argued for some time that it's indefensible that our federal tax laws tell some of our biggest corporations that they can deduct 100 percent of their health insurance costs, while others, mostly smaller businesses, are told they can deduct only a smaller share of their health insurance costs. Although we've recently made some progress in addressing this problem, the appropriate solution remains elusive.

Moreover, the reasons for promptly correcting this tax inequity are even more urgent today as many small businesses, especially our family farmers, are now facing the financial struggles of their lives. Not only is continued delay of this equitable tax treatment unacceptable for family farmers and ranchers whose documented risks in business are reflected in higher health costs, but it's also diverting resources away from the operations of farms, ranches and Main Street businesses in rural America at a time when many simply can't afford it.

Over the past several years, Congress has taken some steps in addressing this unfair disparity in the deductibility of health insurance costs by allowing sole proprietors to deduct a larger share of their health insurance costs. But we've been taking steps that are too small and too slow. This year, sole proprietors may deduct only 60-percent of their health insurance costs for tax purposes. This glaring unfairness is scheduled to be fixed by the year 2003, when our nation's small business owners will finally be able to claim a 100-percent deduction, just like large corporations already enjoy. But this is simply too late for many small businesses.

We can no longer delay providing this tax relief because many of the self-employed who would benefit from it—including farmers and ranchers—are struggling through the worst farm crisis in memory. That's why my legislation would provide farmers, ranchers and other sole proprietors a full, 100-percent tax deduction for this year's health insurance costs.

Mr. President, the health of a farm family or small business owner is no less important than the health of the president of a large corporation, and the Internal Revenue Code should reflect this simple fact now. I urge my colleagues to cosponsor this legislation and join me in immediately ending this tax inequity at the first available opportunity.

By Mr. CHAFEE (for himself, Mr. MACK, Mr. LIEBERMAN, Mr. WARNER, Mr. MOYNIHAN, Mr. REID, Mr. JEFFORDS, Mr. WYDEN, Mr. BIDEN, Ms. COLLINS, Mr. BAUCUS, and Mr. VOINOVICH):

S. 547. A bill to authorize the President to enter into agreements to provide regulatory credit for voluntary early action to mitigate potential environmental impacts from greenhouse gas emissions; to the Committee on Environment and Public Works.

CREDIT FOR VOLUNTARY REDUCTIONS ACT

Mr. CHAFEE. Mr. President, I am proud to join with Senators MACK, LIEBERMAN, WARNER, MOYNIHAN, and a host of others to introduce the Credit for Voluntary Reductions Act of 1999.

This bipartisan legislation addresses a major disincentive that is preventing voluntary, cost-effective, and near-term actions by U.S. entities to reduce the threat of global climate change. In a word, this disincentive is uncertainty. Let me explain.

There is growing certainty in the international scientific community, and indeed within our own business community, that human actions may eventually cause harmful disturbances to our global climate system. Unfortunately, no one in the business world or the Congress knows for sure what, if anything, might be done in the future to stabilize atmospheric concentrations of carbon dioxide and other greenhouse gases.

Will the 1997 Kyoto Protocol ever be ratified and implemented in the United States? Many, particularly here on Capitol Hill, believe not. If the Kyoto Protocol is never implemented, will something else replace it? More persons than not think this is a real possibility.

Will the United States ever reach the point where greenhouse gas mitigation is legally required? Observers on all sides of this debate, irrespective of their preference, will concede that there is a reasonable probability of future government regulation in one form or another. Or, at least there is no guarantee that mandatory action will never be imposed.

But when might such government requirements take effect? How would they be designed? Finally, who will be subjected to them? What emission sources might be exempted? No one can answer these questions definitively. And such inquiries will likely go unanswered for a considerable amount of time into the future.

While the Credit for Voluntary Reductions legislation does not introduce, encourage, or suggest in any way the need for a regulatory program—the fact remains that none of us can predict what will happen scientifically or politically on the climate change issue over the next several years or decades.

In the face of this policy uncertainty, it is easy to understand why many corporate leaders and small businessmen alike are reluctant to take big steps—even if certain voluntary actions improve their bottom line. Business leaders, with history as their guide, are worried that their own government will discount or not credit these good, but voluntary deeds under some potential, future regulatory regime.

They fear that, after all is said and done, they will have been forced to spend twice as much to control pollutants as their laggard competitors. In the face of this uncertainty, business may be inclined to wait to reduce emissions until after the diplomatic, political, and regulatory dust has cleared. Meanwhile, billions more tons of greenhouse gases are released by man into

the atmosphere every year—and important, cost-effective opportunities to reduce emissions may be lost.

It is this uncertainty, this regulatory and financial risk, that our legislation is intended to diminish.

The proposal clears the way for voluntary projects that otherwise might not go forward. It is designed to reduce the current uncertainty and risk faced by potentially regulated entities to the government. This legislation gets the government out of the way so that the marketplace may determine new and cost-effective ways to do business while emitting less.

How does the legislation work? We authorize the President to enter into greenhouse gas reduction agreements with entities operating in the United States.

Once executed, these agreements will provide credits for voluntary greenhouse gas reductions and sequestration achieved by domestic entities over the voluntary period. Because we do not know when, if ever, the U.S. will impose emission reductions, we do not know the duration of the actual voluntary period. The bill does, however, establish a 10-year sunset on the voluntary crediting period.

An entity earns one-for-one credit if it reduces its aggregate emissions from U.S. sources below the applicable baseline for the duration of the voluntary period. On the sequestration side, the entity could offset emissions, and potentially earn credits thereby, if it increases its net sequestration above the applicable sequestration baseline during the voluntary period.

While I expect a great deal of debate on the establishment of baselines, and likely some significant changes, we wanted to initiate the debate by establishing a baseline that uses recent historical emissions data. In the bill as introduced, we suggest an averaged baseline made up by actual emission levels from 1996 through 1998.

Mr. President, while I have an open mind on how we establish baselines or other performance measurements in this measure, I want to be clear that I will insist on a benchmark that is fair for business and that is environmentally sound. Clearly, we will be required to deal with continued business growth in this bill. That is, how to achieve clear environmental gains under this voluntary approach while still crediting the good deeds of growing and changing industries.

There are other key issues, important details, that we will need to pin down in the coming weeks. To ensure the economic and environmental integrity of this program, it is incumbent upon us to require that the government credits are issued for verifiable and legitimate actions that contribute to climate stabilization. If a credit represents a ton of greenhouse gases in some future marketplace, or as an offset to some future regulatory obligation, than it must be a ton reduced or sequestered, not a phantom thereof.

We will also be careful to establish a system that recognizes past activities, that is, climate mitigation projects that have occurred since the early 1990's, that clearly can be shown to be measurable emission reduction or sequestration actions.

The recognition of both overseas and sequestration activities also present some unique challenges if we are to maintain a true environmental program that happens to be voluntary. But the development of carbon sinks and overseas emission reduction projects also provide tremendous opportunities to address potential climate change in a cost-effective and whole way. If we are going to meet the challenges before us on global change, we will do so with all of the tools that science tells us are available.

Mr. President, I could not be more pleased that we have been able to establish both business and environmental allies for this cause. Leading companies from the electric utility sector, a number of petroleum and natural gas companies, important automakers, agriculture, the cement makers, aluminum, chemicals, forestry, and other energy intensive industries recognize what is at stake here and are working with us to represent their interests. Many of them are also making great strides to benefit the global environment and they should be appropriately recognized.

One important area that we will need to spend some time on is the product manufacturing sector. I recognize that appliance, air conditioning, and many product manufacturers believe that credits must be available for their voluntary improvements in energy efficiency and other actions which directly and indirectly reduce or mitigate greenhouse gas emissions. The legislation is perhaps not as clear as it needs to be on this important issue and I intend to work closely with these growing industries and other interested parties to address it.

Our environmental allies recognize that there is an important opportunity here to achieve constructive, cost-effective, and voluntary strategies to address the threat of global climate change. Many of them recognize that our legislation is designed to offer a platform to diverse interests, including those with clashing objectives, for moving forward to support an initiative through which businesses can serve their own economic self-interest while bringing about environmental improvement.

Mr. President, the legislation we are offering today includes very few revisions from the voluntary credits bill (S. 2617) that we introduced last October. This is not because we think we have the perfect document—not at all. We need to go through the process—hold hearings, continue to meet with industry and the environmental community, have discussions with Senate colleagues—before we make any significant revisions. But we will continue to do those things, and we will make improvements to this important legislation.

While I have strong beliefs on the science of climate change and find some significant merits in the Kyoto Protocol—this legislation is completely agnostic on both. The fact is, this bill creates an ''escrow account'' for any U.S. entity that has made up its own mind to do things to earn emission credits—nothing more and nothing less with respect to ratification and implementation of the Kyoto Protocol or any other international or domestic regulatory program.

The issue of global climate change is serious business. While the international and domestic processes play out over the next period of years, let us move forward with sensible, cost-effective, voluntary incentives. What is the alternative?

Mr. President, I ask unanimous consent that the bill be printed in the RECORD. Finally, I encourage my colleagues to take a hard look at this initiative, to talk with their constituents, and to consider working with us to improve and advance good, bipartisan, and voluntary legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Credit for Voluntary Reductions Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.
Sec. 4. Authority for early action agreements.
Sec. 5. Entitlement to greenhouse gas reduction credit for early action.
Sec. 6. Baseline and base period.
Sec. 7. Sources and carbon reservoirs covered by early action agreements.
Sec. 8. Measurement and verification.
Sec. 9. Authority to enter into agreements that achieve comparable reductions.
Sec. 10. Trading and pooling.
Sec. 11. Relationship to future domestic greenhouse gas regulatory statute.

SEC. 2. PURPOSE.

The purpose of this Act is to encourage voluntary actions to mitigate potential environmental impacts of greenhouse gas emissions by authorizing the President to enter into binding agreements under which entities operating in the United States will receive credit, usable in any future domestic program that requires mitigation of greenhouse gas emissions, for voluntary mitigation actions taken before the end of the credit period.

SEC. 3. DEFINITIONS.

In this Act:

(1) CARBON RESERVOIR.—The term ''carbon reservoir'' means quantifiable nonfossil storage of carbon in a natural or managed ecosystem or other reservoir.

(2) COMPLIANCE PERIOD.—The term ''compliance period'' means any period during

which a domestic greenhouse gas regulatory statute is in effect.

(3) CREDIT PERIOD.—The term ''credit period'' means—

(A) the period of January 1, 1999, through the earlier of—

(i) the day before the beginning of the compliance period; or

(ii) the end of the ninth calendar year that begins after the date of enactment of this Act; or

(B) if a different period is determined for a participant under section 5(e) or 6(c)(4), the period so determined.

(4) DOMESTIC.—The term ''domestic'' means within the territorial jurisdiction of the United States.

(5) DOMESTIC GREENHOUSE GAS REGULATORY STATUTE.—The term ''domestic greenhouse gas regulatory statute'' means a Federal statute, enacted after the date of enactment of this Act, that imposes a quantitative limitation on domestic greenhouse gas emissions, or taxes such emissions.

(6) EARLY ACTION AGREEMENT.—The term ''early action agreement'' means an agreement with the United States entered into under section 4(a).

(7) EXISTING SOURCE.—The term ''existing source'' means a source that emitted greenhouse gases during the participant's base period determined under section 6.

(8) GREENHOUSE GAS.—The term ''greenhouse gas'' means—

(A) carbon dioxide; and

(B) to the extent provided by an early action agreement—

(i) methane;

(ii) nitrous oxide;

(iii) hydrofluorocarbons;

(iv) perfluorocarbons; and

(v) sulfur hexafluoride.

(9) GREENHOUSE GAS REDUCTION CREDIT.—The term ''greenhouse gas reduction credit'' means an authorization under a domestic greenhouse gas regulatory statute to emit 1 metric ton of greenhouse gas (expressed in terms of carbon dioxide equivalent) that is provided because of greenhouse gas emission reductions or carbon sequestration carried out before the compliance period.

(10) NEW SOURCE.—The term ''new source'' means—

(A) a source other than an existing source; and

(B) a facility that would be a source but for the facility's use of renewable energy.

(11) OWN.—The term ''own'' means to have direct or indirect ownership of an undivided interest in an asset.

(12) PARTICIPANT.—The term ''participant'' means a person that enters into an early action agreement with the United States under this Act.

(13) PERSON.—The term ''person'' includes a governmental entity.

(14) SOURCE.—The term ''source'' means a source of greenhouse gas emissions.

SEC. 4. AUTHORITY FOR EARLY ACTION AGREEMENTS.

(a) AUTHORITY.—

(1) IN GENERAL.—The President may enter into a legally binding early action agreement with any person under which the United States agrees to provide greenhouse gas reduction credit usable beginning in the compliance period, if the person takes an action described in section 5 that reduces greenhouse gas emissions or sequesters carbon before the end of the credit period.

(2) REQUIREMENTS.—An early action agreement entered into under paragraph (1) shall meet either—

(A) the requirements for early action agreements under sections 5 through 8; or

(B) in the case of a participant described in section 9, the requirements of that section.

(b) DELEGATION.—The President may delegate any authority under this Act to any Federal department or agency.

(c) REGULATIONS.—The President may promulgate such regulations (including guidelines) as are appropriate to carry out this Act.

SEC. 5. ENTITLEMENT TO GREENHOUSE GAS REDUCTION CREDIT FOR EARLY ACTION.

(a) INTERNATIONALLY CREDITABLE ACTIONS.—A participant shall receive greenhouse gas reduction credit under an early action agreement if the participant takes an action that—

(1) reduces greenhouse gas emissions or sequesters carbon before the end of the credit period; and

(2) under any applicable international agreement, will result in an addition to the United States quantified emission limitation for the compliance period.

(b) UNITED STATES INITIATIVE FOR JOINT IMPLEMENTATION.—

(1) IN GENERAL.—Subject to paragraph (2), an early action agreement may provide that a participant shall be entitled to receive greenhouse gas reduction credit for a greenhouse gas emission reduction or carbon sequestration that—

(A) is not creditable under subsection (a); and

(B) is for a project—

(i) accepted before December 31, 2000, under the United States Initiative for Joint Implementation; and

(ii) financing for which was provided or construction of which was commenced before that date.

(2) LIMITATION ON PERIOD DURING WHICH CREDIT MAY BE EARNED.—No greenhouse gas reduction credit may be earned under this subsection after the earlier of—

(A) the earliest date on which credit may be earned for a greenhouse gas emission reduction, carbon sequestration, or comparable project under an applicable international agreement; or

(B) the end of the credit period.

(c) PROSPECTIVE DOMESTIC ACTIONS.—

(1) EMISSION REDUCTIONS.—A participant shall receive greenhouse gas reduction credit under an early action agreement if, during the credit period—

(A) the participant's aggregate greenhouse gas emissions from domestic sources that are covered by the early action agreement; are less than

(B) the sum of the participant's annual source baselines during that period (as determined under section 6 and adjusted under subsections (a)(2), (c)(1), and (c)(2) of section 7).

(2) SEQUESTRATION.—For the purpose of receiving greenhouse gas reduction credit under paragraph (1), the amount by which aggregate net carbon sequestration for the credit period in a participant's domestic carbon reservoirs covered by an early action agreement exceeds the sum of the participant's annual reservoir baselines for the credit period (as determined under section 6 and adjusted under section 7(c)(1)(B)) shall be treated as a greenhouse gas emission reduction.

(d) DOMESTIC SECTION 1605 ACTIONS.—

(1) CREDIT.—An early action agreement may provide that a participant shall be entitled to receive 1 ton of greenhouse gas reduction credit for each ton of greenhouse gas emission reductions or carbon sequestration for the 1991 through 1998 period from domestic actions that are—

(A) reported before January 1, 1999, under section 1605 of the Energy Policy Act of 1992 (42 U.S.C. 13385); or

(B) carried out and reported before January 1, 1999, under a Federal agency program to implement the Climate Change Action Plan.

(2) VERIFICATION.—The participant shall provide information sufficient to verify to the satisfaction of the President (in accordance with section 8 and the regulations promulgated under section 4(c)) that actions reported under paragraph (1)—

(A) have been accurately reported;

(B) are not double-counted; and

(C) represent actual reductions in greenhouse gas emissions or actual increases in net carbon sequestration.

(e) EXTENSION.—The parties to an early action agreement may extend the credit period during which greenhouse gas reduction credit may be earned under the early action agreement, if Congress permits such an extension by law enacted after the date of enactment of this Act.

(f) AWARD OF GREENHOUSE GAS REDUCTION CREDIT.—

(1) ANNUAL NOTIFICATION OF CUMULATIVE BALANCES.—After the end of each calendar year, the President shall notify each participant of the cumulative balance (if any) of greenhouse gas reduction credit earned under an early action agreement as of the end of the calendar year.

(2) AWARD OF FINAL CREDIT.—Effective at the end of the credit period, a participant shall have a contractual entitlement, to the extent provided in the participant's early action agreement, to receive 1 ton of greenhouse gas reduction credit for each 1 ton that is creditable under subsections (a) through (d).

SEC. 6. BASELINE AND BASE PERIOD.

(a) SOURCE BASELINE.—A participant's annual source baseline for each of the calendar years in the credit period shall be equal to the participant's average annual greenhouse gas emissions from domestic sources covered by the participant's early action agreement during the participant's base period, adjusted for the calendar year as provided in subsections (a)(2), (c)(1), and (c)(2) of section 7.

(b) RESERVOIR BASELINE.—A participant's annual reservoir baseline for each of the calendar years in the credit period shall be equal to the average level of carbon stocks in carbon reservoirs covered by the participant's early action agreement for the participant's base period, adjusted for the calendar year as provided in section 7(c)(1).

(c) BASE PERIOD.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a participant's base period shall be 1996 through 1998.

(2) DATA UNAVAILABLE OR UNREPRESENTATIVE.—The regulations promulgated under section 4(c) may specify a base period other than 1996 through 1998 that will be applicable if adequate data are not available to determine a 1996 through 1998 baseline or if such data are unrepresentative.

(3) ELECTIONS.—The regulations promulgated under section 4(c) may permit a participant to elect a base period earlier than 1996 (not to include any year earlier than 1990) to reflect voluntary reductions made before January 1, 1996.

(4) ADJUSTMENT OF PERIOD DURING WHICH CREDIT MAY BE EARNED.—Notwithstanding subsections (c) and (d) of section 5, except as otherwise provided by the regulations promulgated under section 4(c), if an election is made for a base period earlier than 1996—

(A) greenhouse gas reduction credit shall be available under section 5(c) for the calendar year that begins after the end of the base period and any calendar year thereafter through the end of the credit period; and

(B) greenhouse gas reduction credit shall be available under section 5(d) only through the end of the base period.

SEC. 7. SOURCES AND CARBON RESERVOIRS COVERED BY EARLY ACTION AGREEMENTS.

(a) SOURCES.—

(1) IN GENERAL.—

(A) COVERED SOURCES.—Except as otherwise provided in this subsection, a participant's early action agreement shall cover all domestic greenhouse gas sources that the participant owns as of the date on which the early action agreement is entered into.

(B) EXCLUSIONS.—The regulations promulgated under section 4(c) (or the terms of an early action agreement) may exclude from coverage under an early action agreement—

(i) small or diverse sources owned by the participant; and

(ii) sources owned by more than 1 person.

(2) NEW SOURCES.—

(A) IN GENERAL.—The regulations promulgated under section 4(c) may provide that an early action agreement may provide for an annual addition to a participant's source baseline to account for new sources owned by the participant.

(B) AMOUNT OF ADDITION.—The amount of an addition under subparagraph (A) shall reflect the emission performance of the most efficient commercially available technology for sources that produce the same or similar output as the new source (determined as of the date on which the early action agreement is entered into).

(b) OPT-IN PROVISIONS.—

(1) OPT-IN FOR OTHER OWNED SOURCES.—Domestic sources owned by a participant that are not required to be covered under subsection (a) may be covered under an early action agreement at the election of the participant.

(2) OPT-IN FOR CARBON RESERVOIRS.—

(A) IN GENERAL.—An early action agreement may provide that domestic carbon reservoirs owned by a participant may be covered under the early action agreement at the election of the participant.

(B) COVERAGE.—Except in the case of small or diverse carbon reservoirs owned by the participant (as provided in the regulations promulgated under section 4(c)), if a participant elects to have domestic carbon reservoirs covered under the early action agreement, all of the participant's domestic carbon reservoirs shall be covered under the early action agreement.

(3) OPT-IN FOR SOURCES AND CARBON RESERVOIRS NOT OWNED BY PARTICIPANT.—Any source or carbon reservoir not owned by the participant, or any project that decreases greenhouse gas emissions from or sequesters carbon in such a source or carbon reservoir, may be covered by an early action agreement—

(A) in the case of a source or carbon reservoir that is covered by another early action agreement, if each owner of the source or carbon reservoir agrees to exclude the source or reservoir from coverage by the owner's early action agreement; and

(B) in accordance with the regulations promulgated under section 4(c).

(c) ACCOUNTING RULES.—

(1) TRANSFERS.—If ownership of a source or carbon reservoir covered by an early action agreement is transferred to or from the participant—

(A) in the case of a source, the source's emissions shall be adjusted to reflect the transfer for the base period and each year for which greenhouse gas reduction credit is claimed; and

(B) in the case of a carbon reservoir—

(i) the carbon reservoir's carbon stocks shall be adjusted to reflect the transfer for the participant's base period; and

(ii) the carbon reservoir's net carbon sequestration shall be adjusted to reflect the transfer for each year for which greenhouse gas reduction credit is claimed.

(2) DISPLACEMENT OF EMISSIONS.—An early action agreement shall contain effective and workable provisions that ensure that only net emission reductions will be credited under section 5 in circumstances in which emissions are displaced from sources covered by an early action agreement to sources not covered by an early action agreement.

(3) PERIOD OF COVERAGE.—Emissions from sources and net carbon sequestration in carbon reservoirs shall be covered by an early action agreement for the credit period, except as provided under paragraph (1) or by the regulations promulgated under section 4(c).

(4) PARTIAL YEARS.—An early action agreement shall contain appropriate provisions for any partial year of coverage of a source or carbon reservoir.

SEC. 8. MEASUREMENT AND VERIFICATION.

(a) IN GENERAL.—In accordance with the regulations promulgated under section 4(c), an early action agreement shall—

(1) provide that, for each calendar year during which the early action agreement is in effect, the participant shall report to the United States, as applicable—

(A) the participant's annual source baseline and greenhouse gas emissions for the calendar year; and

(B) the participant's annual reservoir baseline and net carbon sequestration for the calendar year;

(2) establish procedures under which the participant will measure, track, and report the information required by paragraph (1);

(3) establish requirements for maintenance of records by the participant and provisions for inspection of the records by representatives of the United States; and

(4) permit qualified independent third party entities to measure, track, and report the information required by paragraph (1) on behalf of the participant.

(b) AVAILABILITY OF REPORTS TO THE PUBLIC.—Reports required to be made under subsection (a)(1) shall be available to the public.

(c) CONFIDENTIALITY.—The regulations promulgated under section 4(c) shall make appropriate provision for protection of confidential commercial and financial information.

SEC. 9. AUTHORITY TO ENTER INTO AGREEMENTS THAT ACHIEVE COMPARABLE REDUCTIONS.

In the case of a participant that manufactures or constructs for sale to end-users equipment or facilities that emit greenhouse gases, the President may enter into an early action agreement that does not meet the requirements of sections 5 through 7, if the President determines that—

(1) an early action agreement that meets the requirements of those sections is infeasible;

(2) an alternative form of agreement would better carry out this Act; and

(3) an agreement under this section would achieve tonnage reductions of greenhouse gas emissions that are comparable to reductions that would be achieved under an agreement that meets the requirements of those sections.

SEC. 10. TRADING AND POOLING.

(a) TRADING.—A participant may—

(1) purchase earned greenhouse gas reduction credit from and sell the credit to any other participant; and

(2) sell the credit to any person that is not a participant.

(b) POOLING.—The regulations promulgated under section 4(c) may permit pooling arrangements under which a group of participants agrees to act as a single participant for the purpose of entering into an early action agreement.

SEC. 11. RELATIONSHIP TO FUTURE DOMESTIC GREENHOUSE GAS REGULATORY STATUTE.

(a) IN GENERAL.—An early action agreement shall not bind the United States to adopt (or not to adopt) any particular form of domestic greenhouse gas regulatory statute, except that an early action agreement shall provide that—

(1) greenhouse gas reduction credit earned by a participant under an early action agreement shall be provided to the participant in addition to any otherwise available authorizations of the participant to emit greenhouse gases during the compliance period under a domestic greenhouse gas regulatory statute; and

(2) if the allocation of authorizations under a domestic greenhouse gas regulatory statute to emit greenhouse gases during the compliance period is based on the level of a participant's emissions during a historic period that is later than the participant's base period under the participant's early action agreement, any greenhouse gas reduction credit to which the participant was entitled under the early action agreement for domestic greenhouse gas reductions during that historic period shall, for the purpose of that allocation, be added back to the participant's greenhouse gas emissions level for the historic period.

(b) LIMITATION.—Nothing in this Act authorizes aggregate greenhouse gas emissions from domestic sources in an amount that exceeds any greenhouse gas emission limitation applicable to the United States under an international agreement that has been ratified by the United States and has entered into force.

Mr. MACK. Mr. President, I rise today to join with my distinguished colleagues, Senators CHAFEE, LIEBERMAN, and others, in introducing the Credit for Voluntary Early Action Act. This measure is an important first step towards reducing the regulatory uncertainty surrounding any possible regulation of greenhouse gas emissions. This bill will provided us a valuable platform for a thorough discussion of this important issue and I encourage all my colleagues to join us in our efforts.

In my state of Florida, we learned long ago that a healthy environment is fundamentally necessary for a healthy economy. This is evidenced by our congressional delegation's historic bipartisan consensus on such important national issues as the protection of the Florida Everglades and our efforts to stop oil and gas exploration off our beaches. The citizens of my state know full well how necessary it is we keep our environment clean and pristine.

I'm proud to stand with my colleagues here today and take Florida's common sense, market-based attitude on the environment to the national level. The legislation we're sponsoring today would encourage and reward voluntary actions businesses take to reduce the emission of potentially harmful greenhouse gases like carbon dioxide.

Under our bill, the President would be authorized to provide regulatory credit to companies who take early voluntary action to reduce greenhouse gas emissions. This credit could be used to comply with future regulatory

requirements and—in a market-based approach—traded or sold to other companies as they work to meet their own environmental obligations.

Participants in this innovative program would agree to annually measure, track and publicly report greenhouse gas emissions. Credit given would be one-for-one, based on actual reductions below an agreed-upon baseline. Credits issued under the program would be subtracted from total emissions allowed under future regulatory emissions requirements.

I believe this approach makes sense for many reasons. For one, there are many uncertainties surrounding the issue of greenhouse gas emissions and their relation to global warming. The complexities and uncertainties associated with understanding the interactions of our climate, our atmosphere and the impact of human behavior are enormous. I have my own concerns about the science behind this issue, and have tremendous concerns about the regulatory approach outlined in last year's Kyoto agreement. It is not my intent—in cosponsoring this bill—to validate Kyoto or the underlying science. Those issues are best left to the scientists and future congresses. Today, we are simply trying to clear the way for voluntary emissions-reductions projects that would otherwise be delayed for years. And we accomplish this in a way that is not costly to the taxpayers.

It makes sense to provide appropriate encouragement to businesses who want to invest in improved efficiency—those who want to find ways to make cars, factories and power production cleaner. Under our bill, these companies are encouraged—not based on government fiat or handout—to get credit for their own initiative and problem solving skills.

Another reason I believe this legislation would be beneficial is because today's businesses have no control over the regulations that could be required of them down the road. Although today's Congress has no desire to legislate requirements on greenhouse gases such as carbon dioxide, it is extremely difficult to predict where the scientific and economic data will carry future policymakers. In my view, it makes sense to encourage businesses to be proactive in protecting themselves from any future restrictions enacted by a more regulatory-minded Congress and administration.

Mr. President, all of us agree that a healthy environment is important to our future. It's time to put partisanship aside and solve our environmental problem in a way that will allow business to be in control of their own future while doing their part to address global warming. By allowing companies to earn credit for actions they take now, businesses can be prepared for any regulations in the future.

I look forward to beginning an earnest debate about this issue with my colleagues in the United States Senate. I believe we have an innovative approach to confronting as issue fraught with uncertainties. We should be looking to solve more of our problems by using our free market philosophy rather than by costly Washington mandates that my not work. The Credit for Voluntary Early Reductions Act is responsible effort to validate on the national level what we've always known in Florida: a healthy environment is key to a healthy economy.

Mr. LIEBERMAN. Mr. President, I am delighted to join today with my colleagues Senator CHAFEE, the chairman of the Environment and Public Works Committee, and Senators MACK, WARNER, MOYNIHAN, REID, WYDEN, JEFFORDS, BIDEN, BAUCUS, and COLLINS in introducing this important legislation. The point of this bi-partisan legislation is simple. It will provide credit, under any future greenhouse gas reduction systems we choose to adopt, to companies who act now to reduce their emissions. This is a voluntary, market-based approach that is a win-win situation for both American businesses and the environment.

Many companies want to move forward now to reduce their greenhouse gas emissions. They don't want to wait until legislation requires them to make these reductions. For some companies reducing greenhouse gases makes good economic sense because adopting cost-effective solutions can actually save them money by improving the efficiency of their operations. Companies recognize that if they reduce their greenhouse gas emissions now they will be able to add years to any potential compliance schedule, allowing them to spread their investment costs over a longer span of time. Under this legislation, businesses will have the flexibility to innovate and develop expertise regarding the most cost-effective ways in which their particular company can become part of the solution to the problem of greenhouse gas emissions.

This bill ensures that companies will be credited in future reduction proposals for actions taken now, thereby removing impediments preventing some voluntary efforts that would provide large environmental benefits. Focusing American ingenuity on early reductions will also help stimulate the search for and use of new, innovative strategies and technologies that are needed to enable companies both in this country and worldwide meet their reduction requirements in a cost-effective manner. Development of such strategies and technologies will improve American competitiveness in the more than $300 billion global environmental marketplace.

Early action by U.S. companies will begin creating very important environmental benefits now. By providing the certainty necessary to encourage companies to move forward with emission reductions, this legislation will lead to immediate reductions in greenhouse gas pollution. Once emitted, many greenhouse gases continue to trap heat in the atmosphere for a century or more. Early reductions can begin to slow the rate of buildup of greenhouse gases in the atmosphere, helping to minimize the environmental risks of continued global warming. It just makes sense to encourage practical action now.

The bill will help us deal with the serious threat posed by global climate change. Emissions of greenhouse gases that result from human activity, particularly the combustion of fossil fuels, are causing greenhouse gases to accumulate in the atmosphere above natural levels. More than 2,500 of the world's best scientific and technical experts have concluded that this increase threatens to change the balance of temperature and precipitation that we rely on for a host of economic and societal activities. The American Geophysical Union, a professional society comprised 35,000 geoscientists, recently stated that ''present understanding of the Earth climate system provides a compelling basis for legitimate public concern over future global- and regional-scale changes resulting from increased concentrations of greenhouse gases.''

We recently learned from scientists that 1998 was the hottest year on record and that nine of the hottest ten years occurred in the past decade. Scientists believe that a rise in global temperature may in turn result in sea level rise and changes in weather patterns, food and fiber production, human health, and ecosystems. Beyond the science that we know, our common sense tells us that the risks associated with climate change are serious. Weather-related disasters already cost our economy billions of dollars every year.

The climate agreement reached in Kyoto, Japan in 1997 was an historic agreement that provided the foundation for an international solution to climate change. The protocol included important provisions, fought for by American negotiators, aimed at establishing real targets and timetables for achieving emissions reductions and providing flexibility and market mechanisms for reducing compliance costs as we work to limit our emissions of greenhouse gases. In Buenos Aires last year, the international community began developing the details of the protocol. I had the privilege of participating as a Senate observer at both the Kyoto and Buenos Aires climate change conventions. I was particularly encouraged that developing countries, including Argentina and Kazakstan, indicated their willingness in Buenos Aires to limit the growth of their greenhouse gas emissions. Nations of the world are all coming to recognize that climate change is an issue of grave international concern and that all members of the global community must participate in solving the problem.

Unfortunately, the current atmosphere in Congress is such that some

would block any steps related to climate change until the Kyoto protocol is ratified by the Senate. President Clinton has said he will not submit the Kyoto protocol for ratification until developing countries demonstrate meaningful participation. I am encouraged by the progress made in Buenos Aires and am proud that the United States, by signing the protocol, is committed to a leadership role in the global effort to protect our Earth's irreplaceable natural environment. But to defer debate and action on any proposal that might reduce greenhouse gases until after Senate consideration of the protocol is to deny the United States the ability to act in its own economic and environmental self-interest. The issue at stake is how to develop an insurance policy to protect us against the danger of climate change. Regardless of our individual views on the Kyoto protocol, we in Congress must focus our debate on the issue of climate change and work to forge agreement on how we can move forward. Unfortunately, we have done too little to attack the escalating emissions of greenhouse gases which threaten our health, our safety and our homes.

I'm particularly pleased that the legislation grows out of principles developed in a dialogue between the Environmental Defense Fund and a number of major industries. I am encouraged that since the introduction of a similar version of this bill last year, we have received many constructive comments from those in the business and environmental communities. Many good suggestions are on the table now and we expect that many are yet to come; we welcome broad participation as we move forward on this legislation. I am committed to working through some of the important issues that have been raised. Indeed, I believe that it will be through the ongoing constructive participation of the widest spectrum of stakeholders that we will enact a law that catalyzes American action on climate change and delivers on the promise of crediting voluntary early actions.

I hope that my colleagues and their constituents will take an honest and hard look at this initiative and consider working with us to improve and advance good legislation that begins to address the profound threat of global climate change. This legislation alone will not protect us from the consequences of climate change, but it is a constructive and necessary step in the right direction. I believe that it is crucial that we begin to address the important issue of climate change now because we have a moral obligation to leave our children and grandchildren a vibrant, healthy, and productive planet and thriving global economy.

Mr. President, the debate about climate change is too often vested—and I believe wrongly so—in false choices between scientific findings, common sense, business investments and environmental awareness. The approach of this bill again demonstrates that these are not mutually exclusive choices, but highly compatible goals.

Mr. WARNER. Mr. President, I am pleased to join in cosponsoring legislation introduced today by Senator CHAFEE and my other colleagues to establish a voluntary incentive-based program to reduce the emissions of greenhouse gases.

This is an innovative concept that is in its formative stages. I am pleased to join in support of the concept of providing binding credits for industries who can verify reductions in greenhouse gas emissions. While there are significant issues that must be resolved in the final version of this legislation, I believe this voluntary approach has significant potential to encourage real reductions in greenhouse gas emissions. I look forward, as a member of the Committee on Environment and Public Works, to actively participating in the further development of this legislation.

Mr President, I also want to make clear that my support for this legislation does not indicate a change in my position on the Protocol on Global Climate Change—the Kyoto Protocol. I continue to strongly feel that the protocol is fatally flawed, and in its current form, should not be ratified by the Senate. My objections to this international agreement have been stated many times before. The agreement does not include appropriate involvement by key developing nations and it sets unachievable timetables for emissions reductions by developed nations. I am concerned that the end result would be unrealistic emission reduction requirements imposed on the United States without appropriate reductions assigned to other countries, and that in the end the United States economy would be severely impacted.

The legislation I am supporting today does not endorse the Kyoto protocol or call for a regulatory program to reduce greenhouse gas emissions. This legislation simply ensures that if the private sector takes important steps today to achieve reductions in their emissions, then these actions will be credited to them if there is a mandatory reduction program in the future.

Now, Mr. President, how we devise a legislative package that provides these credits and verifies if emissions are reduced will require significant discussions through the Committee's hearing process. For my part, I am enthusiastic about a successful resolution of these many issues. I look forward to particularly working to ensure that appropriate credit is provided for substantial carbon storage. Any legislative effort must recognize the important role of carbon sequestration in determining emission reduction strategies.

This bill is about protecting United States companies that have or are interested in taking voluntary steps to lower their output of carbon dioxide and other greenhouse gases. These companies have requested the protection this bill provides and I intend to work closely with Senator CHAFEE and others to deliver it.

Mr. MOYNIHAN. Mr. President, I rise to join my colleagues today in introducing the Credit for Voluntary Reductions Act of 1999. I am pleased to be an original cosponsor of this legislation.

The bill represents a far sighted effort to encourage early reductions of greenhouse gases. Under our program, companies in a wide range of industries may participate in a voluntary, market-based system of credit by making measurable reductions in greenhouse gases.

We have learned from our experience with implementing the 1990 Clean Air Act Amendments that the use of market-based incentives is the most cost-efficient, effective way to encourage corporate responsibility with respect to air emissions. Credit based systems have proven to effect emissions reductions which are larger than anticipated, at significantly lesser cost. The program laid out in our bill will remove market disincentives to taking action on greenhouse gas emissions and reward the initiative and innovation in the corporate sector.

My good friend Senator CHAFEE has highlighted today what is perhaps the most important issue facing any climate change legislation. While there is growing scientific certainty that human actions may eventually cause harmful disturbances to our climate system, no one is sure what may be done in the future to mitigate the effects of any atmospheric disruptions. The legislative and diplomatic proposals are myriad. Uncertainty over how climate change will be addressed, if at all, is a formidable hurdle to corporate actions which may begin to mitigate the problem. By simply establishing a system of credits which may be used at a later time to document emissions reductions, our bill begins to address this issue of uncertainty and provide incentives for positive action on emissions reductions.

I am proud to be an original cosponsor of this innovative legislation, and I encourage my colleagues to support our efforts.

Mr. JEFFORDS. Mr. President, climate change poses potential real threats to Vermont, the Nation, and the World. While we cannot yet predict the exact timing, magnitude, or nature of these threats, we must not let our uncertainty lead to inaction.

Preventing climate change is a daunting challenge. It will not be solved by a single bill or a single action. As we do not know the extent of the threat, we also do not know the extent of the solution. But we cannot let our lack of knowledge lead to lack of action. We must start today. Our first steps will be hesitant and imperfect, but they will be a beginning.

Today I am joining Senator CHAFEE, Senator MACK, Senator LIEBERMAN and a host of others in cosponsoring the Credit for Early Action Act in the United States Senate.

Credit for Early Action gives incentives to American businesses to voluntarily reduce their emissions of greenhouse gases. Properly constructed, Credit for Early Action will increase energy efficiency, promote renewable energy, provide cleaner air, and help reduce the threat of possible global climatic disruptions. It will help industry plan for the future and save money on energy. It rewards companies for doing the right thing—conserving energy and promoting renewable energy. Without Credit for Early Action, industries which do the right thing run the risk of being penalized for having done so. We introduce this bill as a signal to industry: you will not be penalized for increasing energy efficiency and investing in renewable energy, you will be rewarded.

In writing this bill, Senators CHAFEE, MACK, and LIEBERMAN have done an excellent job with a difficult subject. I am cosponsoring the Credit for Early Action legislation as an endorsement for taking a first step in the right direction. I will be working with my colleagues throughout this Congress to strengthen this legislation to ensure that it strongly addresses the challenges that lie ahead. The bill must be changed to guarantee that our emissions will decrease to acceptable levels, and guarantee that credits will be given out equitably. These modifications can be summarized in a single sentence: credits awarded must be proportional to benefits gained. This goal can be achieved through two additions: a rate-based performance standard and a cap on total emissions credits.

The rate-based performance standard is the most important item. A rate-based standard gives credits to those companies which are the most efficient in their class—not those that are the biggest and dirtiest to begin with. Companies are rewarded for producing the most product for the least amount of emissions. Small and growing companies would have the same opportunities to earn credits as large companies. This system would create a just and equitable means of awarding emissions credits to companies which voluntarily increase their energy efficiency and renewable energy use.

The second item is an adjustable annual cap on total emissions credits. An adjustable annual cap allows Congress to weigh the number of credits given out against the actual reduction in total emissions. Since the ultimate goal is to reduce U.S. emissions, this provision would allow a means to ensure that we do not give all of our credits away without ensuring that our emissions levels are actually decreasing.

With these two additions, Credit for Early Action will bring great rewards to our country, our economy, and our environment. It will save money, give industry the certainty to plan for the future, and promote energy efficiency and renewable energy, all while reducing our risk from climate change. This legislation sends the right message: companies will be rewarded for doing the right thing—increasing energy efficiency and renewable energy use.

Mr. BIDEN. Mr. President, I am happy to join my colleagues in introducing this important legislation. In particular, I want to thank Senator CHAFEE for his foresight and leadership on this most difficult issue. The science, politics, and economics of climate change all present major issues, and only someone as dedicated and tenacious as Senator CHAFEE could provide the leadership to get us to this point today. My good friend, JOE LIEBERMAN, who has been another leader in the Senate on this tough issue, and CONNIE MACK, deserve our thanks for bringing us together around this first step in the long path toward managing the problem of climate change.

The science of climate change is sufficiently advanced that we know we face a threat to our health and economy; but we are only beginning to come to grips with how we can manage that threat most effectively, and—this is the key—most efficiently. Climate change presents us with a classic problem in public policy—it is a long-term threat, not completely understood, to the widest possible public. And it is an issue whose resolution will require taking steps now with real costs to private individuals and businesses, costs that have a payoff that may only be fully apparent a generation or more in the future.

Mr. President, we have learned a lot in the years that we have been making federal environmental policy here in the United States. We have much more to learn, but we have made real advances since the early days, when we did not always find the solutions that got us the most environmental quality for the buck. The bill we are introducing today reflects one important lesson: businesses can be a creative and responsible part of the solution to environmental problems. In fact, it is fair to say that we would not be here today if it were not for the leadership of groups like the International Climate Change Partnership and the Pew Center on Global Climate Change, both of which have provided a forum for responsible businesses to reach consensus on this issue. Significantly, it was a leading environmental group, the Environmental Defense Fund, that has provided indispensible technical expertise to turn good intentions into the bill we have here today.

Drawing on our experience with tradable sulphur dioxide credits, this bill looks to the day when we have reached the kind of agreement—whether based on our evolving commitments under the United Nations Framework Convention on Climate Change or some other authority—that establishes an emissions credit trading regime for greenhouse gases. The best science—and political reality—tells us that current rates of greenhouse gas emissions are likely to result not only in measurable change in global temperatures, but also in a public demand to do something about it. That in turn will change the cost of doing business as usual for the industries that are major sources of those gases.

But right now, if responsible firms—like DuPont and General Motors, if I can mention just two that operate in Delaware—want to do something to reduce greenhouse gas emissions, they not only get no credit in any future trading system—they actually lose out to firms that decide to delay reductions until such a system is in place. Those who procrastinate, under current law, not only avoid the cost today of cleaning up their emissions, but they would be in a position to receive credits for the kinds of cheaper, easier steps that more responsible companies have already taken. This is certainly not the way to encourage actions now that help air quality in the short term. And every action we take now, by reducing the long-term concentrations of greenhouse gases that would otherwise occur, lowers the overall economic impact of complying with any future climate change policy.

One way out of this problem, Mr. President, is the bill we are introducing today—to assure firms who act responsibly today that their investments in a better future for all of us will be eligible for credit. At the same time, we will thereby raise the cost of delay.

As with so much in the issue of climate change, this bill is a work in progress. Different kinds of firms, with different products, processes, and histories, face significantly different problems in complying with the demands of an early credit system. We must be sure that we provide the flexibility to encourage the widest variety of reductions. And while we want to encourage the greatest reductions as soon as possible, we must be sure that we have the best information—and credible verification—on the effects of various kinds of early action. Without accurate verification and reporting, we cheapen the value of actions taken by the most responsible firms.

This bill marks a real change in our approach to climate change: we have moved beyond the days of heated, irreconcilable arguments between those who see climate change as a real threat and those who don't. Now, cooler heads can discuss the best way to face the future that we are building for our children.

Mr. BAUCUS. Mr. President, I am pleased to be an original cosponsor of this important legislation.

This bill is a good beginning for a discussion in the Senate on how we can begin to develop constructive solutions to the problem of global climate change.

Climate change is real. Over the last 130 years, since the beginning of the Industrial Revolution, global average surface temperatures have increased by one degree. Scientists project that this trend will continue and most of them

believe the trend is due to increases in carbon dioxide and other greenhouse gas emissions from human activity. The temperature increase may not sound like much, but the consequences of even such a small global change could be enormous. This warming trend could have many effects, including even more unpredictable weather patterns, and major shifts in agricultural soils and productivity and wildlife habitat. To me, that drives home the need to deal with the problem.

As I have mentioned to some of my colleagues, there is a vivid example of the warming in my home state of Montana. The Grinnell Glacier in Glacier National Park has retreated over 3,100 feet over the past century. If this continues, Park Service scientists predict this 10,000 year old glacier will be entirely gone within 30 years. This glacier is a symbol and treasure to Montanans and its disappearance would be a hard thing to explain to our children and their children.

This and other potential consequences of climate change are serious enough to warrant some action to reduce the threat it poses. The bill we are introducing today will hopefully be an incentive for people to take steps toward reducing the threat. This bill, the Credit for Voluntary Early Action Act, would allow those who voluntarily choose to reduce emissions of greenhouse gases or to ''sequester'' them (meaning to keep them out of the atmosphere and in the soil or locked up in trees or plants) to get credit for those efforts. At some point in the near future, these credits are expected to have monetary value and could be sold in a domestic or global trading system.

As my cosponsors acknowledge, this is not a perfect bill, but a complicated work in progress. As the Senate considers this matter, I am particularly interested in seeing how agriculture and forestry might benefit by participating in a credit system. These credits could be a financial reward for the good stewardship already taking place on America's farmland. Agriculture needs every opportunity to pursue markets, even if we're talking about unconventional products like carbon credits, to help with the bottom line.

We already know that crop residue management and conservation tillage vastly improve carbon storage in soils and have side benefits, such as reducing erosion. Soils have an immense potential for locking up carbon so that it enters the atmosphere more gradually. Returning highly erodible cropland to perennial grasses could prove to be similarly effective. Many of these practices are already an important part of precision agriculture, so would be obvious low-cost ways for farmers and ranchers to earn credits. It is important that the rules of any trading system be written right, so they can work for agriculture. We can't let our international competitors, like Canada or Australia, be the only ones writing the rules in this developing market.

Besides rewarding those who are willing to take early actions and move beyond normal business practices to address climate change, let's start to think outside the box about what else we can do. The U.S. has the most advanced environmental technology sector in the world. From new uses for agricultural waste and products to state-of-the-art pollution controls, we are leaders in improving efficiency and reducing waste. We need to jump start our public and private research and development structure so that it really focuses on new cost-effective products and systems that produce less greenhouse gas to meet a global demand.

The Administration's Climate Change Technology Initiative is a reasonable first step. But, so far, Congress has approached this issue with a business as usual attitude. It's time to get serious and creative about developing more advanced technologies. We should be reviewing all the tools at our disposal, from research and development programs to taxes.

We need to make this investment in our environmental future for the same reasons that we make investments in our economic future. People prepare for retirement because they want to reduce risks and reduce the cost of responding to future problems. For similar reasons, we need to make prudent investments like providing credit for early action, to reduce risks and reduce the cost of responding to future climate change problems. The more time we let go by, and the longer we let greenhouse gas concentrations rise unchecked, the more expensive the future's repair bills could be.

There is still a long way to go with any climate change treaty. There must be real participation by the developing countries, like China, India, Brazil, etc. Carbon trading rules and the role of agriculture in sequestering carbon must be more clearly defined. In the meantime, however, the bill we're introducing will allow us to see what works and to get a leg up on the rest of the world.

Mr. President, this bill starts an important dialogue about our country's contribution to world greenhouse gas concentrations. Make no mistake, there is still a lot of work ahead for all of us to make this bill a reality. But this country cannot afford to play the part of the ostrich with its head in the sand. We must seriously engage this matter. We owe it to our children.

Ms. SNOWE. Mr. President, I rise today to applaud the efforts of my colleague Senator CHAFEE for the Credit for Voluntary Early Action Act he has introduced that will encourage the reduction of greenhouse gases into the atmosphere. The concept of this bill is a creative step toward awarding those industries who take early actions to reduce their overall emissions of greenhouse gases, particularly carbon dioxide, which are thought to be causing changes in climate around the globe.

The bill would set up a domestic program that gives companies certain credits for the voluntary actions they take for reducing the amount of greenhouse gases they emit into the air. These credits could then be used in meeting future reductions, or could be sold to other companies to help with their own reductions. Strong incentives would also be provided for those companies developing innovative technologies that will help reduce the buildup of atmospheric greenhouse gases.

The Chafee bill clearly puts us at the starting line in the 106th Congress for addressing the continuous domestic buildup of greenhouse gases. I do feel the bill needs to take a further step in the race to make our planet more environmentally and economically friendly, however. We need to establish domestic credits for carbon sequestration that will help reduce the amount of carbon in the atmosphere, and thereby help to address the complex issue of climate change. I plan to continue to work with Senator CHAFEE to take that next step.

Maine is one of the country's most heavily forested states, with much of its land devoted to forests, and so has much to offer towards the reduction of carbon in our atmosphere. The State's forestlands have been a large key to our quality of life and economic prosperity. These forests absorb and store carbon from the atmosphere, allowing the significant sequestration of carbon, serving as carbon ''sinks''.

Because of continuous improvements made in forest management practices and through extensive tree replanting programs, forests all over the country continue to sequester significant amounts of carbon. Through active forest management and reforestation, through both natural and artificial regeneration, the private forests, both industrial and non-industrial, are helping to decrease carbon dioxide emissions that are occurring both from natural processes and human activities into the atmosphere.

The addition of credits for greenhouse gas reductions for forestry-related carbon sequestration activities should be a part of the voluntary credits system the bill proposes so as to allow the owners of the forests of today—and tomorrow—to voluntarily participate and receive credits for carbon sequestration. This should not be difficult to do since the U.S. Forest Service already follows a carbon stock methodology that is used by the Environmental Protection Agency to document the nation's carbon dioxide emissions and inventories for carbon storage.

I realize that the Intergovernmental Panel on Climate Change (IPCC) has been tasked to prepare a special report that is expected out next year that may help define appropriate definitions and accounting rules for carbon sinks. In the meantime, I do not believe it will be helpful to leave the issue of carbon sequestration unacknowledged in any domestic program—and to cause

losers along with winners in the process. We are all in a race against an uncertainty that no one can afford to lose.

As I mentioned, I believe that the goals of the Chafee bill are admirable and will allow for a dialogue to begin, hopefully on the science as opposed to the politics, for what can be done domestically within the global climate change debate. I hope to be included as a part of that dialogue and urge that those who speak to carbon sequestration credits be heard through the public hearings process or by amending the bill in a way that will not only encourage sustainable forest management, but also stimulate incentives for maintaining healthy forests. The discussion on the importance of carbon sequestration within our terrestrial ecosystems—long a large component of the climate change debate—must continue.

By Mr. DEWINE:

S. 548. A bill to establish the Fallen Timbers Battlefield and Fort Miamis National Historical Site in the State of Ohio; to the Committee on Energy and Natural Resources.

FALLEN TIMBERS ACT

Mr. DEWINE. Mr. President, today I am introducing legislation that would designate the Fallen Timbers Battlefield and Fort Miamis as National Historic Sites.

Mr. President, the Battle of Fallen Timbers is an early and important chapter in the settlement of what was then known as the Northwest Territory. This important battle occurred between the U.S. army, led by General ''Mad'' Anthony Wayne, and a confederation of Native American tribes led by Tecumseh, in 1794. More than 1,000 Indians ambushed General Wayne's troops as they progressed along the Maumee River. Despite an unorganized defense, U.S. troops forced the tribes to retreat. The Treaty of Greenville was signed in 1795, and it granted the city of Detroit to the United States as well as secured the safe passage along the Ohio River for frontier settlers.

The Battle of Fallen Timbers began Ohio's rich history in the formation of our country. And the citizens of Northwest Ohio are committed to preserving that heritage. The National Register of Historic Places already lists Fort Miamis. In 1959, the Battle of Fallen Timbers was included in the National Survey of Historic Sites and Buildings and was designated as a National Historic Landmark in 1960. In 1998, the National Park Service completed a Special Resource Study examining the proposed designation and suitability of the site and determined that the Battle of Fallen Timbers Battlefield site meets the criteria for affiliated area status. So it remains only for Congress to officially recognize the national significance of these sites.

My legislation would recognize and preserve the 185-acre Fallen Timbers Battlefield site. It would uphold the heritage of U.S. military history and Native American culture during the period of 1794 through 1813. It would authorize the Secretary of the Interior to provide assistance in the preparation and implementation of the Plan to the State, its political subdivisions, or specified nonprofit organization.

Mr. President, the people of Northwest Ohio are committed to preserving the heritage of their community, the State of Ohio, and the United States. Therefore, the Fallen Timbers Battlefield and Fort Miamis sites deserve national historical recognition for the history that they represent. For these reasons, I am proposing this important piece of legislation today.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fallen Timbers Battlefield and Fort Miamis National Historical Site Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the 185-acre Fallen Timbers Battlefield is the site of the 1794 battle between General Anthony Wayne and a confederation of Native American tribes led by Little Turtle and Blue Jacket;

(2) Fort Miamis was occupied by General Wayne's legion from 1796 to 1798;

(3) in the spring of 1813, British troops, led by General Henry Proctor, landed at Fort Miamis and attacked the fort twice, without success;

(4) Fort Miamis and the Fallen Timbers Battlefield are in Lucas County, Ohio, in the city of Maumee;

(5) the 9-acre Fallen Timbers Battlefield Monument is listed as a national historic landmark;

(6) Fort Miamis is listed in the National Register of Historic Places as a historic site;

(7) in 1959, the Fallen Timbers Battlefield was included in the National Survey of Historic Sites and Buildings as 1 of 22 sites representing the ''Advance of the Frontier, 1763–1830''; and

(8) in 1960, the Fallen Timbers Battlefield was designated as a national historic landmark.

(b) PURPOSES.—The purposes of this Act are—

(1) to recognize and preserve the 185-acre Fallen Timbers Battlefield site;

(2) to formalize the linkage of the Fallen Timbers Battlefield and Monument to Fort Miamis;

(3) to preserve and interpret United States military history and Native American culture during the period from 1794 through 1813;

(4) to provide assistance to the State of Ohio, political subdivisions of the State, and nonprofit organizations in the State to implement the stewardship plan and develop programs that will preserve and interpret the historical, cultural, natural, recreational, and scenic resources of the historical site; and

(5) to authorize the Secretary to provide technical assistance to the State of Ohio, political subdivisions of the State, and nonprofit organizations in the State (including the Ohio Historical Society, the city of Maumee, the Maumee Valley Heritage Corridor, the Fallen Timbers Battlefield Preservation Commission, Heidelberg College, the city of Toledo, and the Metropark District of the Toledo Area) to implement the stewardship plan.

SEC. 3. DEFINITIONS.

In this Act:

(1) HISTORICAL SITE.—The term ''historical site'' means the Fallen Timbers Battlefield and Monument and Fort Miamis National Historical Site established by section 4.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the Ohio Historical Society, the city of Maumee, the Maumee Valley Heritage Corridor, the Fallen Timbers Battlefield Preservation Commission, Heidelberg College, the city of Toledo, the Metropark District of the Toledo Area, and any other entity designated by the Governor of Ohio.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(4) STEWARDSHIP PLAN.—The term ''stewardship plan'' means the management plan developed by the management entity.

(5) TECHNICAL ASSISTANCE.—The term ''technical assistance'' means any guidance, advice, or other aid, other than financial assistance, provided by the Secretary.

SEC. 4. FALLEN TIMBERS BATTLEFIELD AND FORT MIAMIS NATIONAL HISTORICAL SITE.

(a) ESTABLISHMENT.—There is established in the State of Ohio the Fallen Timbers Battlefield and Fort Miamis National Historical Site.

(b) BOUNDARIES.—

(1) IN GENERAL.—The historical site shall be composed of—

(A) the Fallen Timbers 185-acre battlefield site described in paragraph (3);

(B) the 9-acre battlefield monument; and

(C) the Fort Miamis site.

(2) MAP.—The Secretary shall prepare a map of the historical site, which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(3) FALLEN TIMBERS SITE.—For purposes of paragraph (1), the Fallen Timbers site generally comprises a 185-acre parcel northeast of U.S. 24, west of U.S. 23/I–475, south of the Norfolk and Western Railroad line, and east of Jerome Road.

(4) CONSENT OF LOCAL PROPERTY OWNERS.—No privately owned property or property owned by a municipality shall be included within the boundaries of the historical site unless the owner of the property consents to the inclusion.

SEC. 5. WITHDRAWAL OF DESIGNATION.

(a) IN GENERAL.—The historical site shall remain a national historical site unless—

(1) the Secretary determines that—

(A) the use, condition, or development of the historical site is incompatible with the purposes of this Act; or

(B) the management entity of the historical site has not made reasonable and appropriate progress in preparing or implementing the stewardship plan for the historical site; and

(2) after making a determination under paragraph (1), the Secretary submits to Congress notification that the historical site designation should be withdrawn.

(b) PUBLIC HEARING.—Before the Secretary makes a determination under subsection (a)(1), the Secretary shall hold a public hearing in the historical site.

(c) TIME OF WITHDRAWAL OF DESIGNATION.—

(1) DEFINITION OF LEGISLATIVE DAY.—In this subsection, the term ''legislative day'' means any calendar day on which both Houses of Congress are in session.

(2) TIME PERIOD.—The withdrawal of the historical site designation shall become final 90 legislative days after the Secretary submits to Congress notification under subsection (a)(2).

SEC. 6. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) DUTIES AND AUTHORITIES OF THE SECRETARY.—

(1) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary may provide technical assistance to prepare and implement the stewardship plan to—

(i) the State of Ohio;

(ii) a political subdivision of the State;

(iii) a nonprofit organization in the State; or

(iv) any other person on a request by the management entity.

(B) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance under this section, require any recipient of the technical assistance to establish or modify land use restrictions.

(C) DETERMINATIONS REGARDING ASSISTANCE.—

(i) DECISION BY SECRETARY.—The Secretary shall decide if technical assistance should be awarded and the amount, if any, of the assistance.

(ii) STANDARD.—A decision under clause (i) shall be based on the degree to which the historical site effectively fulfills the objectives contained in the stewardship plan and achieves the purposes of this Act.

(2) DEVELOPMENT OF STEWARDSHIP PLAN.—The Secretary may assist in development of the stewardship plan.

(3) PROVISION OF INFORMATION.—In cooperation with the heads of other Federal agencies, the Secretary shall provide the public with information regarding the location and character of the historical site.

(b) DUTIES OF OTHER FEDERAL AGENCIES.—The head of any Federal agency conducting an activity directly affecting the historical site shall—

(1) consider the potential effect of the activity on the stewardship plan; and

(2) consult with the management entity of the historical site with respect to the activity to minimize the adverse effects of the activity on the historical site.

SEC. 7. NO EFFECT ON LAND USE REGULATION AND PRIVATE PROPERTY.

(a) NO EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this Act modifies, enlarges, or diminishes the authority of any Federal, State, or local government to regulate the use of land by law (including regulations).

(b) NO ZONING OR LAND USE POWERS.—Nothing in this Act grants any power of zoning or land use control to the management entity of the historical site.

(c) NO EFFECT ON LOCAL AUTHORITY OR PRIVATE PROPERTY.—Nothing in this Act affects or authorizes the management entity to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local zoning ordinance or land use plan of the State of Ohio or a political subdivision of the State.

SEC. 8. FISHING, TRAPPING, AND HUNTING.

(a) NO DIMINISHMENT OF STATE AUTHORITY.—The establishment of the historical site shall not diminish the authority of the State to manage fish and wildlife, including the regulation of fishing, hunting, and trapping in the historical site.

(b) NO CONDITIONING OF APPROVAL AND ASSISTANCE.—The Secretary and the head of any other Federal agency may not make a limitation on fishing, hunting, or trapping—

(1) a condition of the determination of eligibility for assistance under this Act; or

(2) a condition for the receipt, in connection with the historical site, of any other form of assistance from the Secretary or the agency, respectively.

By Mrs. FEINSTEIN:

S. 551. A bill to amend the Internal Revenue Code of 1986 to encourage school construction and rehabilitation through the creation of a new class of bond, and for other purposes; to the Committee on Finance.

THE EXPAND AND REBUILD AMERICA'S SCHOOLS ACT OF 1999

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to provide a tax credit for the bond holders of public school construction bonds, totaling $1.4 billion each year for two years. To qualify to use the bonds, the bill requires schools to be subject to state academic achievement standards and have an average elementary student-teacher ratio of 28 to one.

Bonds could be used if school districts meet one of three criteria:

(1) The school is over 30 years old or the bonds will be used to install advanced or improved, telecommunications equipment;

(2) Student growth rate will be at least 10 percent over the next 5 years; or

(3) The construction or rehabilitation is needed to meet natural disaster requirements.

The bill is the companion of H. R. 415, introduced by my California colleague, Representative LORETTA SANCHEZ.

The bonding authority can leverage additional funds and it offers a new financing tool for our schools that can complement existing funding sources in an effort to address the need to repair and upgrade existing schools. It offers assistance especially for small and low-income school districts because low-income communities with the most serious needs may have to pay the highest interest rates to issue bonds, if they can be issued at all. Because the bonds provide a tax credit to the bond holder, the bond is supported by the federal treasury, not the local school district.

The nation's schools are crumbling. We have many old schools. One third of the nation's 110,000 schools were built before World War II and only about one of 10 schools was built since 1980. More than one-third of the nation's existing schools are currently over 50 or more years old and need to be repaired or replaced. The General Accounting Office has said that nationally we need over $112 billion for construction and repairs at 80,000 schools.

My state needs $26 billion from 1998 to 2008 to modernize and repair existing schools and $8 billion to build schools to meet enrollment growth. In November 1998, California voters approved state bonds providing $6.5 billion for school construction.

In addition to deteriorating schools, some schools are bursting at the seams because of the huge numbers of students and we can expect more pressure as enrollments rise. The ''Baby Boom Echo'' report by the U.S. Department of Education in September 1998, found that between 1988 and 2008, public high school enrollment will jump by 26 percent and elementary enrollment will go up by 17 percent. In 17 states, there will be a 15 percent increase in the number of public high school graduates. This school year, school enrollment is at a record level, 52.7 million students.

My state faces severe challenges:

1. High Enrollment: California today has a K–12 public school enrollment at 5.6 million students which represents more students than 36 states have in total population, all ages. We have a lot of students.

Between 1998 and 2008, when the national enrollment will grow by 4 percent, in California, it will escalate by 15 percent, the largest increase in the nation. California's high school enrollment is projected to increase by 35.3 percent by 2007. Each year between 160,000 and 190,000 new students enter California classrooms. Approximately 920,000 students are expected to be admitted to schools in the state during that period, boosting total enrollment from 5.6 million to 6.8 million.

California needs to build 7 new classrooms a day at 25 students per class between now and 2001 just to keep up with the growth in student population. By 2007, California will need 22,000 new classrooms. California needs to add about 327 schools over the next three years just to keep pace with the projected growth.

2. Crowding: Our students are crammed into every available space and in temporary buildings. Today, 20 percent of our students are in portable classrooms. There are 63,000 relocatable classrooms in use in 1998.

3. Old Schools: Sixty percent of our schools are over 40 years old. 87 percent of the public schools need to upgrade and repair buildings, according to the General Accounting Office. Ron Ottinger, president of the San Diego Board of Education has said: ''Roofs are leaking, pipes are bursting and many classrooms cannot accommodate today's computer technology.''

4. High Costs: The cost of building a high school in California is almost twice the national cost. The U.S. average is $15 million; in California, it is $27 million. In California, our costs are higher than other states in part because our schools must be built to withstand earthquakes, floods, El Nino and a myriad of other natural disasters. California's state earthquake building standards add 3 to 4 percent to construction costs. Here's what it costs to build schools in California: an elementary school (K–6), $5.2 million; a middle school (7–8), $12.0 million; a high school (9–12), $27.0 million.

5. Class Size Reduction: Our state, commendably, is reducing class sizes in grades K through 3, but this means we need more classrooms.

Here are some examples in California of our construction needs:

Los Angeles Unified School District got 16,000 additional students this year and expects an 11 percent enrollment growth by 2006. Because of overcrowding, they are bussing 13,000 students away from their home neighborhoods. For example, Cahuenga Elementary School has 1,500 students on 40 buses, with some children traveling on the bus two hours every day. Not only is this essentially wasted time for students and an expense of school districts, it means that it is very difficult for parents to get to their children's schools for school events and teacher conferences.

Half of LA Unified's students attend school on a multi-track, year-round schedule because of overcrowding. This means their schools cannot offer remedial summer school programs for students that need extra help.

Olive View School in Corning Elementary School District, with over 70 percent of students in portable classrooms, needs to replace these aging and inadequate facilities.

Fresno Unified School District has a backlog of older schools needing repairs. For example, Del Mar Elementary School has a defective roof. Chuck McAlexander, Administrator, wrote me: ''The leakage at Del Mar is so bad that the plaster ceiling of the corridor was falling and has been temporarily shored with plywood.''

San Bernardino City Unified School District, which is growing at a rate of over 1,000 students per year, has 25 schools over 30 years old, buildings needing improved classroom lighting, carpeting, electrical systems, and plumbing. Several schools need air condition so they can operate year-round to accommodate burgeoning enrollment.

Berkeley High School was built in 1901 and damaged by the 1989 Loma Prieta earthquake. They are still trying to raise funds to replace the building.

Polytechnic High School in Long Beach is over 100 years old and houses 4,200 students. The last repairs were done in 1933. Long Beach officials wrote:

''The heating system is in desperate need of replacement with continual breakdowns and the constant need for maintenance. The roofs have exceeded their average life expectancy by 20 years. Flooring and equipment have been damaged several times during the rainy season. There have been instances where classrooms had to be evacuated due to health and safety issues. The electrical systems that were designed for 2,000 students can no longer support the needs of over 4,000 students, especially after taking into account the need for increased technology. The antiquated plumbing system is in desperate need of repair. . . . The entire support infrastructure, water, sewer and drainage facilities are in dire need of replacement as the age of these systems have well exceeded their lifespan.''

The elementary school in the Borrego Unified School District has a deteriorating water well, with silt and inadequate pressure. The middle-high school has an intercom and fire alarm system inoperable because of a collapsed underground cable.

In San Diego, 49 schools need roof repairs or replacement. Ninety-one elementary schools need new fire alarms and security systems. Mead Elementary School, which is 45 years old, has clogged and rusted plumbing beyond repair, with water pressure so weak that it amounts to a drip at times.

Ethel Phillips Elementary School, age 48, in the Sacramento City Unified School District, has dry rot in the classrooms because of water damaged and needs foundation repairs and new painting, to preserve the building.

Loleta Union School District, which is in an area of seismic activity, needs an overhaul of the wiring to support modern technology.

San Pasqual Union School District's only water well is contaminated and the 30-year-old roof needs replacement.

At the San Miguel Elementary School in San Francisco, the windows are rotting and the roof is leaking so badly that they must set out buckets every time it rains.

And on and on.

School overcrowding places a heavy burden on teachers and students. Studies show that the test scores of students in schools in poor condition can fall as much as 11 percentage points behind scores of students in good buildings. Other studies show improvements of up to 20 percent in test scores when students move to a new facility.

The point is that improving facilities improves teaching and learning. I hope that this bill will offer some help and most importantly provide new learning opportunities for our students. Mr. President, I ask unanimous consent that a summary of this be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows.

SUMMARY OF FEINSTEIN-SANCHEZ SCHOOL CONSTRUCTION BILL

TAX CREDITS

Provides $1.4 billion in tax credits in FY 2000 and $1.4 billion in tax credits in FY 2001 to any bondholder for public elementary and secondary school construction and rehabilitation bonds. Similar to the Qualified Zone Academy Bonds created by the Taxpayer Relief Act of 1997, bondholders would receive a tax credit, rather than interest.

ELIGIBLE SCHOOLS

To qualify to use the bonds, students in the schools must be subject to state academic achievement standards and tests;

schools must have a program to alleviate overcrowding; the school district must have an average elementary student-teacher ratio of 28 to one at the time of issuance of the bonds; and meet one of the following three criteria:

1. The school to be repaired is over 30 years old or the bonds are used to provide advanced or improved telecommunications facilities.

2. The student growth rate in the school district will be at least 10 percent over the next 5 years.

3. School construction or rehabilitation is needed to meet natural disaster requirements.

ADDITIONAL COSPONSORS

S. 14

At the request of Mr. COVERDELL, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 14, a bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes.

S. 25

At the request of Ms. LANDRIEU, the names of the Senator from Kentucky (Mr. BUNNING) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 25, a bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

S. 86

At the request of Mr. BUNNING, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 86, a bill to amend the Social Security Act to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide beneficiaries with disabilities meaningful opportunities to work, to extend Medicare coverage for such beneficiaries, and to make additional miscellaneous amendments relating to Social Security.

S. 92

At the request of Mr. DOMENICI, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 92, a bill to provide for biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 98

At the request of Mr. MCCAIN, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 98, a bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

S. 135

At the request of Mr. DURBIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 135, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes.

S. 223

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii