shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

''(i) such Trust's total undistributed net income for all prior years during which an election under paragraph (2) is in effect, and

''(ii) such Trust's distributable net income.

On page 364, beginning on line 15, strike ''under section 1216 of the Transportation Equity Act for the 21st Century, as in effect on July 21, 1999,''.

On page 371, between lines 16 and 17, insert the following:

SEC. ____. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LAND OWNER.

(a) IN GENERAL.—Subsection (b) of section 631 (relating to disposal of timber with a retained economic interest) is amended—

(1) by inserting ''AND OUTRIGHT SALES OF TIMBER'' after ''ECONOMIC INTEREST'' in the subsection heading, and

(2) by adding before the last sentence the following new sentence: ''The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner thereof if such owner owned the land (at the time of such sale) from which the timber is cut.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. ____. CREDIT FOR CLINICAL TESTING RESEARCH EXPENSES ATTRIBUTABLE TO CERTAIN QUALIFIED ACADEMIC INSTITUTIONS INCLUDING TEACHING HOSPITALS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 41 the following:

''SEC. 41A. CREDIT FOR MEDICAL INNOVATION EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, the medical innovation credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

''(1) the qualified medical innovation expenses for the taxable year, over

''(2) the medical innovation base period amount.

''(b) QUALIFIED MEDICAL INNOVATION EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified medical innovation expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified academic institution for clinical testing research activities.

''(2) CLINICAL TESTING RESEARCH ACTIVITIES.—

''(A) IN GENERAL.—The term 'clinical testing research activities' means human clinical testing conducted at any qualified academic institution in the development of any product, which occurs before—

''(i) the date on which an application with respect to such product is approved under section 505(b), 506, or 507 of the Federal Food, Drug, and Cosmetic Act (as in effect on the date of the enactment of this section),

''(ii) the date on which a license for such product is issued under section 351 of the Public Health Service Act (as so in effect), or

''(iii) the date classification or approval of such product which is a device intended for human use is given under section 513, 514, or 515 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

''(B) PRODUCT.—The term 'product' means any drug, biologic, or medical device.

''(3) QUALIFIED ACADEMIC INSTITUTION.—The term 'qualified academic institution' means any of the following institutions:

''(A) EDUCATIONAL INSTITUTION.—A qualified organization described in section 170(b)(1)(A)(iii) which is owned by, or affiliated with, an institution of higher education (as defined in section 3304(f)).

''(B) TEACHING HOSPITAL.—A teaching hospital which—

''(i) is publicly supported or owned by an organization described in section 501(c)(3), and

''(ii) is affiliated with an organization meeting the requirements of subparagraph (A).

''(C) FOUNDATION.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

''(i) an organization meeting the requirements of subparagraph (A), or

''(ii) a teaching hospital meeting the requirements of subparagraph (B).

''(D) CHARITABLE RESEARCH HOSPITAL.—A hospital that is designated as a cancer center by the National Cancer Institute.

''(4) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified medical innovation expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the taxpayer during the 3-taxable year period ending with the taxable year immediately preceding the first taxable year of the taxpayer beginning after December 31, 1998.

''(d) SPECIAL RULES.—

''(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

''(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

''(3) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

''(4) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES AND WITH CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expense for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 or 45C for such taxable year.''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credits), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the medical innovation expenses credit determined under section 41A(a).''.

(2) TRANSITION RULE.—Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF SECTION 41A CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the medical innovation credit determined under section 41A may be carried back to a taxable year beginning before January 1, 1999.''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C, as amended by this Act, is amended by adding at the end the following new subsection:

''(e) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical innovation expenses (as defined in section 41A(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

''(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.''.

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and by inserting after paragraph (4) the following new paragraph:

''(5) the medical innovation expenses credit determined under section 41A(a) (other than such credit determined under the rules of section 280C(d)(2)),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 41 the following:

''Sec. 41A. Credit for medical innovation expenses.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

NOTICE OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. McCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, August 4, 1999 at 9:15 a.m. in Room SR–301 Russell Senate Office Building, to receive testimony on committee funding resolutions.

For further information concerning this meeting, please contact Tamara Somerville at the Rules Committee.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOSWKI. Mr. President, I would like to announce that a full committee oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will take place Tuesday, August 10, 1999 at 8:00 a.m. at the 2nd Floor of the Federal Building and U.S. Court House, 7th & C Street in Anchorage, AK.

The purpose of this hearing is to receive testimony on the implementation of the Alaska National Interest Lands Conservation Act. The hearing will focus on how the Act has been interpreted and implemented by federal regulators since its passage in December of 1980. There will be testimony from the Administration, state and local officials, and other interested parties.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. Presentation of oral testimony is by Committee invitation only. For further information, please contact Jo Meuse or Brian Malnak.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CHARLES W. ALSUP, USA

• Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to a great patriot, soldier, and father, Colonel Charles W. Alsup. After nearly 28 years of dedicated service around the world, Colonel Alsup will retire from the United States Army on September 30, 1999. Colonel Alsup was born in Birmingham, Alabama. He enlisted in the Army in 1971 as a private and was later commissioned as a Military Intelligence Second Lieutenant upon completion of the Infantry Officer Candidate School at Fort Benning, Georgia.

Throughout his military career, Colonel Alsup distinguished himself as a true professional and an exceptional leader. His initial assignments included: a tour with 8th Special Forces Group, Fort Gulick, Panama; duties as a counterintelligence special agent and staff officer with the 902th Military Intelligence Group, Fort Meade, MD; and intelligence officer, 4th Battalion, 69th Armor Regiment, 8th Infantry Division in Mainz, Germany during the height of the Cold War. He successfully commanded at the company, battalion, and brigade levels, culminating with the prestigious 501st Military Intelligence Brigade, Yongsan, Korea.

Colonel Alsup also excelled at a variety of teaching and staff officer positions, including Reserve Officer Training Corps duty at the University of Alabama; Staff Group Leader, Combined Arms and services Staff School, Fort Leavenworth; Director of Intelligence, 24th Infantry Division, Fort Stewart, GA; Director of Intelligence, Eight U.S. Army, Yongsan, Korea; and duty on the Army Staff in Legislative Liaison and the Directorate for Operations and Plans.

Colonel Alsup's final assignment as Assistant Director of Intelligence for the Joint Staff, Washington, DC, showcased his superior grasp of national intelligence issues, his impressive management skills, and his ability to perform under pressure. Colonel Alsup provided unparalleled intelligence support to the senior leadership of the Executive and Legislative Branches, contributing significantly to their understanding of national level crisis and contingencies. His positive impact on the Joint Staff, the Defense Intelligence Agency, and the intelligence community will be felt for years to come.

Colonel Alsup is a distinguished graduate of the U.S. Army Command and General Staff College, Fort Leavenworth and the Naval War College, Newport, Rhode Island. His awards and decorations include the Defense Superior Service Medal, the Legion of Merit with Oak Leaf Cluster, the Meritorious Service Medal with Four Oak Leaf Clusters, the Army Commendation Medal with two Oak Leaf Clusters, the Special Forces Tab, the Senior Parachutist Badge, and the Ranger Tab.

Through his distinctive accomplishments, Colonel Charles W. Alsup culminates a distinguished career in the service of his country and reflects great credit upon himself, the United States Army, the Defense Intelligence Agency, and the Department of Defense.

I wish every success to Colonel Alsup as he finishes his truly remarkable military career and thank him for a job exceedingly well done.•

TRIBUTE TO RICHARD TORTORELLI

• Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Richard Tortorelli of Milford, New Hampshire, who has retired from the Milford Fire Department after 41 years of service.

Richard began his career with the Milford Fire Department while in high school. At the age of 21, he joined the fire department as an on-call fire fighter. In 1986, he became the first full-rime Fire Chief in Milford's history. Under his leadership, the fire department has seen many changes: a move from Town Hall in 1974 into the current station, a change from a one-town dispatch center to the regional Milford Area Communication Center, and equipment updates along with specialized training.

Even though Richard works in one of the most dangerous professions in the country, he has never lost a member of his department. One of the most rewarding aspects of his career is that the number of fire calls in Milford has decreased over the years. He acknowledges that teaching fire prevention is not as thrilling as fighting a fire, however it is very important.

I would like to thank Chief Tortorelli for his service to the Town of Milford, and his dedication and leadership to the Milford Fire Department. I commend Richard for his exemplary career and tireless efforts. I wish him luck in his future endeavors. It is an honor to represent him in the United States Senate.•

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, appoints the Senator from Virginia (Mr. WARNER) to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a term ending October 11, 2004.

UNANIMOUS CONSENT AGREEMENT—S. 335

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that at 1 p.m. on Monday, August 2, the Senate proceed to the consideration of Calendar No. 191, S. 335, and that it be considered under the following limitations: 2 hours of total debate on the legislation equally divided between Senator COLLINS and Senator LEVIN or their designees; the only amendment in order be a managers' amendment offered by Senators COLLINS and LEVIN. I further ask unanimous consent that following the expiration or yielding back of debate time and the disposition of the managers' amendment, the bill be read a third time and then temporarily set aside. I finally ask unanimous consent that at 5:30 p.m. on Monday, the Senate proceed to a vote on passage of the bill with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING OF S. 1344

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that S. 1344, the Patients' Bill of Rights Plus Act, as amended and passed by the Senate on July 15, 1999, be printed as a document of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF FUNDING LEVELS FOR AVIATION PROGRAMS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1467 introduced earlier today by Senator MCCAIN.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1467) to extend the funding levels for aviation programs for 60 days.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Mr. President, I rise in support of S. 1467. This bill will extend the Federal Aviation Administration's, FAA, Airport Improvement Program, AIP, for sixty days. It is critical that Congress complete the authorization for this program for this fiscal year. Otherwise, the FAA will be prohibited from issuing much-needed grants to airports in every state, regardless of whether or not funds have been appropriated. In fact, there are still nearly $300 million in appropriated funds for the current fiscal year that cannot be spent because AIP authority expires on August 6.

If we do not act to reauthorize this program for at least the remainder of this fiscal year, we will cause harm to the transportation infrastructure of our country. AIP grants play a critical part in airport development. Without these grants, important safety, security, and capacity projects will be hampered throughout the country. Therefore, we must act swiftly.

The safety of the traveling public depends upon the continued flow of AIP monies. For example, airports use these funds to install instrument landing systems, which help guide airplanes to safe landings when visibility is impaired. AIP funds are also used for airport safety projects related to runway